



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><u>Bradford Members</u> Councillors: Thornton Salam P Clarke</p>	<p><u>Calderdale Members</u> Councillors: Lynn Hutchinson Caffrey</p>
<p><u>Kirklees Members</u> Councillors: Firth Ramsay Crook</p>	<p><u>Leeds Members</u> Councillors: Bromley Scopes Stephenson</p>
<p><u>Wakefield Members</u> Councillors: Nicholls Swift Speight</p>	<p><u>Trades Union Members</u> Chard, GMB Goring, UNISON Bailey, UNISON</p>
<p><u>Scheme Members</u></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
E-Mail: jane.lythgow@bradford.gov.uk

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:*

<i>Type of Interest</i>	<i>You must:</i>
<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> OR <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> OR <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

93 - 108

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

109 -
112

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

113 -
132

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

133 -
184

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

185 -
190

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

191 -
194

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



Report of the Managing Director, West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 27 July 2023.

A

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 2023 to 30 June 2023.

EQUALITY & DIVERSITY:

Issues of Equality and Diversity are included within the body of the document.

Mr Euan Miller
Managing Director

Portfolio:

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

Overview & Scrutiny Area:

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, 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 2023 to 30 June 2023.

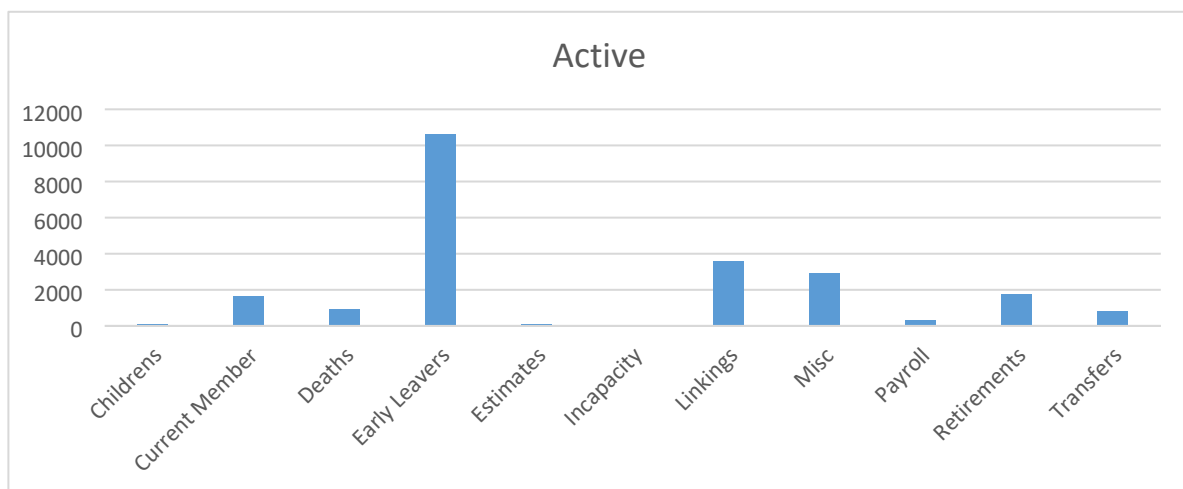
WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Transfer In Quote	481	35	481	85	100
Transfer In Actual	298	35	275	85	92.28
Divorce Settlement Pension Sharing order Implemented	14	80	14	100	100
Deferred Benefits Set Up on Leaving	5603	20	4413	85	78.76
Refund Quote	4026	35	3792	85	94.19
Refund Actual	2309	10	2284	90	98.92
Transfer Out Payment	158	35	135	85	85.44
Pension Estimate	1777	10	1719	90	96.74
Retirement Actual	1994	10	1982	90	99.4
Deferred Benefits Into Payment Actual	2449	10	2429	90	99.18
AVC In-house (General)	605	20	585	85	96.69
Deferred Benefits Into Payment Quote	3197	35	2435	85	76.17
Transfer Out Quote	1186	35	1118	85	94.27
Monthly Posting	5546	10	4953	95	89.31
Divorce Quote	303	40	269	85	88.78
Change of Address	3083	20	3020	85	97.96
Change of Bank Details	1159	20	1131	85	97.58
General Payroll Changes	1851	20	1845	85	99.68
Age 55 Increase to Pension	11	20	11	85	100.00
NI adjustment to Pension at State Pension Age	104	20	104	85	100.00
DWP request for Information	18	20	17	85	94.44
Death Grant to Set Up	430	10	395	85	91.86
Death In Retirement	2390	10	2090	85	87.45
Death In Service	63	10	42	85	66.67

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIMUM TARGET PERCENT	TARGET MET PERCENT
Death on Deferred	115	10	89	85	77.39
Estimates for Deferred Benefits into Payment	45	10	40	90	88.89
Update Member Details	9037	20	8951	100	99.05
Pension Saving Statement	16	20	16	100	100
Dependant Pension To Set Up	908	5	687	90	75.66
Phone Call Received	23145	3	22725	95	98.19
Interfund Out Quote	824	35	710	85	86.17
Interfund Linking In Quote	951	35	512	85	53.84
Interfund Out Actual	824	35	631	85	76.58
Interfund Linking In Actual	460	35	395	85	85.87

Reasons for underperforming KPI's:

1. **Deferred Benefits set up on leaving** - High volume of cases to process, exacerbated as scheme employers provide data for the Triennial valuation, and this includes Deferred Benefits Set Up on leaving.
2. **Deferred Benefits into payment quote** – High volume of cases received.
3. **Monthly Postings** – New staff undertaking training.
4. **Death in Service** - New staff undertaking training.
5. **Death on Deferred** - New staff undertaking training.
6. **Estimates for Deferred Benefits into payment** - Estimates requests more than 3 months into the future.
7. **Dependant Pension to set up** - Higher than normal volume.
8. **Interfund Linking In Quote** - Historic cases being processed 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.
9. **Interfund Out Actual** - Historic cases being processed 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 interfunnds out.

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 3 July 2023 was 503,321.
A full breakdown between the different Funds and Schemes is shown at Appendix A.

3.2 Number of Employers in the West Yorkshire Pension Fund

	Actives	Ceased	Total
Scheme	275	1	274
Admission	148	8	140
Total	423	9	414

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 B - WYPF

Appendix C – Lincolnshire Pension Fund

Appendix D – London Borough of Hounslow Pension Fund

Appendix E – Barnet Pension Fund

5.0 Internal Disputes Resolution Procedures

- 5.1 All occupational pension schemes are required to operate an IDRPs. 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 Managing Director of WYPF. Stage 2 appeals are considered by the Chief Executive of the City of Bradford MDC.

A summary of the IDRPs decisions for the period 1.1.23 to 30.6.23 is shown below:

West Yorkshire Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	7		
		2 Upheld	1 Delays in dealing with previous membership. 1 Delays in calculating pension entitlement.
		5 Turned down	2 Distribution of death grant. 1 Delays in dealing with interfund in. 1 Delays calculating pension estimate (SW AVCs). 1 Delays in dealing with transfer in.
STAGE 2	1		
AGAINST EMPLOYER	0		
AGAINST WYPF	1	1 Turned down	1 Not allowed to backdate payment of deferred benefits.

Lincolnshire Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	2		
		2 Turned down	1 Delays in payment of spouse's pension and death grant. 1 Not allowed to transfer out.
STAGE 2	3		
AGAINST EMPLOYER	1	1 Turned down	1 Not entitled to ill health retirement.
AGAINST LPF	2	2 Turned down	1 Calculation of deferred benefits. 1 Delays providing retirement quotation.

London Borough of Barnet Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	2		
		1 Upheld	Delays and errors in calculating pension entitlements.
		1 Turned down	1 Period not extended to allow transfer in

London Borough of Hounslow Pension Fund

	Number of Determinations	Outcomes	Type
STAGE 1	2		
		2 Turned down	2 Not allowed to defer payment of deferred benefits.
STAGE 2	0		

6.0 Administration Update

6.1 Events

Event	Number
Employer Engagement	
Employer Webcast	19
Employer Training (one to one)	15
Employer Support	36
Employer Forum	3
Member Engagement	
Member Presentation	30
Member Surgeries	3
Serious Ill Health one to one	2

6.2 Engage with your LGPS Pension

A series of online presentations to help members understand their LGPS benefits.

We commenced this programme April 2023 and currently have session's advertised to Sept 2023.

This programme consists of 3 separate sessions detailed below, the sessions are repeated each month at different times of the day to accommodate hard to reach members and to provide members ample opportunity to attend at a time that fits in with their schedule.

- Engage with you LGPS pension - Pre 14 joiners
- Engage with your LGPS pension - Post 14 joiners
- Engage with your LGPS pension – understanding your annual pension statement

Some comments received following recent sessions:

Just right, easy to slot into your day without feeling like you have taken too much time out. Covered a lot and very well explained.

very clear and helpful

Just right length and allowed for a Q and A at the end as well. Clearly presented and explained.

**Employer webcasts
Feedback (Preparing for Year End)**

Employers from any part of the country can now attend simultaneously so it is not possible to provide fund specific satisfaction scores.

Ten employer webcasts were held between **17 January and 23 March 2023** covering the following topics:

- Authorised contacts and your year-end responsibilities
- Completing your March return: Steps to success
- Understanding CPP (pay for CARE pension)
- Understanding Final pay
- Understanding Assumed Pensionable Pay

**Feedback satisfaction score:
(Average across funds)**

93.10% based on 53 responses

Employer webcasts - Feedback (Clearing your Year End Queries)

Eight employer webcasts were held between **4 May and 20 June 2023** covering the following topics:

- Blocks and Quarantines Part 1
- Blocks and Quarantines Part 2
- Walk through the online leaver form.
- Information needed for HMRC checks.

Feedback satisfaction score:

(Average across funds)

92.29% based on 20 responses.

6.3 Annual Benefit Statements (ABS) and Deferred Benefit Statements (DBS)

The statements are issued to members electronically via the secure 'MyPension' portal. However, members who have opted to receive a paper copy will be issued one to their home address.

As at 3 July 2023 97% of ABS's and 99.9% of DBS's have been produced for WYPF members who are eligible to receive one.

6.4 Audits undertaken by Bradford Council's Internal Audit in the period:

a) WYPF AVC 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 **4** recommendations for improvement.

b) WYPF Exiting Employers

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 **3** recommendations.

6.5 ISO 9001 Internal Quality Audits

The following internal quality audits were completed by WYPF staff:

Retirement Estimates

IT Team Payroll Year End Procedures

Pensioner Services Deaths & Dependants

Periodic Adjustment of Benefits - Diary System and Article IV Increases

Any suggestions for improvements to working practices will be analysed by the relevant managers.

6.6 ISO 9001 Quality Surveillance

Our external audit was carried out onsite in the Bradford office and remotely for the Lincoln office.

The visit was successful and no non-conformities were raised. The auditor has raised a few observations and improvement opportunities which will be close as soon as possible.

6.7 ISO 270001-2015 Annual Surveillance Audit

An external audit was carried out in line with the ISO Certification against WYPF Management System processes and procedures. The audit objectives were:

- To confirm that the requirements of the management system standard are effectively addressed by the Organisation's Management System in accordance with the Audit Criteria.
- To confirm the ability of the Management System to ensure that the Organisation meets applicable statutory, regulatory and contractual requirements and meets its specified objectives.
- To identify areas for potential improvement of the Management System.

The audit awarded a 'Pass' rating which means that no further action is required by the Organisation.

6.8 Recruitment

A number of appointments have been made to our pensions administration teams with some vacancies still to fill.

6.9 Shared Services Contracts

The contract with Lincolnshire is due to expire. It is pleasing to report that they have decided to keep their administration with us. The new contract will be a 9-year contract with 3 year break clauses. We look forward to continuing working with them.

London Borough of Hounslow have also confirmed that they will be extending their contract with us. This will be for a further 3 year period.

7.0 Staffing

7.1 WYPF headcount is 205 (194 full time equivalent staff) with an average age of 45.8 (Appendix F).

7.2 For the year ending 1 April 2022 the average number of days absence due to sickness is 6.11 per staff member. This compares with the Council average of 14.04 days (Appendix G).

7.3 There were 17 new starters during the last 12 months (Appendix H)

7.4 There were 10 leavers during the last 12 months (see Appendix I).

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	49,744	42.61%
Deferred	25,493	21.84%
Pensioner	41,499	35.55%

9.0 Awards

WYPF have been shortlisted by the LAPF Investment Awards under the following categories:

- LGPS Fund of the Year (Assets over £2.5 Billion)
- Scheme Administration Award

Winners will be announced at a ceremony in London on 14 September 2023.

10.0 OTHER CONSIDERATIONS

None

11.0 FINANCIAL & RESOURCE APPRAISAL

Sufficient budget to ensure adequate resources to deliver contractual obligations.

12.0 RISK MANAGEMENT AND GOVERNANCE ISSUES

Failure to meet contractual obligations to our shared service partners may result in contract termination.

13.0 LEGAL APPRAISAL

Not applicable.

14.0 OTHER IMPLICATIONS

14.1 SUSTAINABILITY IMPLICATIONS

None

14.2 GREENHOUSE GAS EMISSIONS IMPACTS

None

14.3 COMMUNITY SAFETY IMPLICATIONS

None

14.4 HUMAN RIGHTS ACT

None.

14.5 TRADE UNION

None

15.0 NOT FOR PUBLICATION DOCUMENTS

None

16.0 OPTIONS

None.

17.0 RECOMMENDATIONS

It is recommended that the report be noted.

18.0 APPENDICES

Appendix A	Membership Numbers
Appendix B	Customer Survey Results- WYPF
Appendix C	Customer Survey Results - Lincolnshire Pension Fund
Appendix D	Customer Survey Results - London Borough of Hounslow Pension Fund
Appendix E	Customer Survey Results - Barnet Pension Fund
Appendix F	Headcount
Appendix G	Absence Performance
Appendix H	New Starters
Appendix I	Leavers

19.0 BACKGROUND DOCUMENTS

None

This page is intentionally left blank

SCHEMENAME	ACTIVES	DEFERREDS	PENSIONERS	BENEFICIARIES	PRESERVED		LVRS OPTIONS		TOTAL
					REFUND	PENDING	PENDING		
Councillors	0	78	148	23	0	0	0	249	
Gratuity Payments	0	0	4	0	0	0	0	4	
LGPS	109096	86945	96512	11885	12904	2338	319680		
Teachers Compensation	0	0	1057	238	0	0	1295		
West Yorkshire Fire (1992 Scheme)	0	81	1980	356	0	0	2417		
West Yorkshire Fire (2006 Scheme)	0	90	8	7	2	0	107		
West Yorkshire Fire (2006/RDS Scheme)	0	12	39	0	0	0	51		
West Yorkshire Fire (2015 Scheme)	1007	144	31	10	1	4	1197		
West Yorkshire Fire (2015/RDS Scheme)	20	1	3	0	0	0	24		
South Yorkshire Fire (1992 Scheme)	0	41	1100	203	8	0	1352		
South Yorkshire Fire (2006 Scheme)	0	35	2	1	1	0	39		
South Yorkshire Fire (2006/RDS Scheme)	0	1	14	0	0	0	15		
South Yorkshire Fire (2015 Scheme)	686	97	26	2	3	10	824		
South Yorkshire Fire (2015/RDS Scheme)	4	1	0	0	0	0	5		
North Yorkshire Fire (1992 Scheme)	0	28	434	87	0	1	550		
North Yorkshire Fire (2006 Scheme)	0	144	23	2	1	0	170		
North Yorkshire Fire (2006/RDS Scheme)	2	22	60	2	0	0	86		
North Yorkshire Fire (2015 Scheme)	631	269	28	4	11	25	968		
North Yorkshire Fire (2015/RDS Scheme)	33	3	0	0	0	0	36		
Humberside Fire (1992 Scheme)	0	41	821	162	0	0	1024		
Humberside Fire (2006 Scheme)	0	105	16	4	2	0	127		
Humberside Fire (2006/RDS Scheme)	0	5	76	3	0	0	84		
Humberside Fire (2015 Scheme)	726	168	27	0	2	15	938		
Humberside Fire (2015/RDS Scheme)	44	3	4	0	0	0	51		
Lincolnshire Councillors	0	26	52	4	0	0	82		
Lincolnshire LGPS	26497	25381	24828	2664	2664	849	82883		
Lincolnshire Fire (1992 Scheme)	0	20	259	51	1	0	331		
Lincolnshire Fire (2006 Scheme)	0	314	40	7	20	1	382		
Lincolnshire Fire (2006/RDS Scheme)	1	9	42	1	0	0	53		
Lincolnshire Fire (2015 Scheme)	568	339	22	4	15	88	1036		
Lincolnshire Fire (2015/RDS Scheme)	19	1	1	0	0	2	23		

Royal Berks Fire (2015/RDS Scheme)	6	1	0	0	0	0	7
Royal Berks Fire (1992 Scheme)	1	53	417	59	2	1	533
Royal Berks Fire (2006 Scheme)	1	62	11	0	0	0	74
Royal Berks Fire (2006/RDS Scheme)	0	8	29	2	0	0	39
Royal Berks Fire (2015 Scheme)	411	135	14	0	1	6	567
Bucks and MK Fire (1992 Scheme)	0	32	357	63	1	0	453
Bucks and MK Fire (2006 Scheme)	0	159	18	10	2	0	189
Bucks and MK Fire (2006/RDS Scheme)	0	11	25	0	0	0	36
Bucks and MK Fire (2015 Scheme)	409	185	14	0	3	16	627
Bucks and MK Fire (2015/RDS Scheme)	3	1	0	0	0	0	4
Devon and Somerset Fire (1992 Scheme)	0	52	911	159	1	0	1123
Devon and Somerset Fire (2006 Scheme)	1	405	140	18	9	1	574
Devon and Somerset Fire (2006/RDS Scheme)	0	69	212	3	0	1	285
Devon and Somerset Fire (2015 Scheme)	1597	692	56	16	8	33	2402
Devon and Somerset Fire (2015/RDS Scheme)	60	8	9	0	0	2	79
Dorset and Wiltshire Fire (1992 Scheme)	0	59	643	97	3	0	802
Dorset and Wiltshire Fire (2006 Scheme)	0	268	40	17	3	0	328
Dorset and Wiltshire Fire (2006/RDS Scheme)	3	44	168	2	0	2	219
Dorset and Wiltshire Fire (2015 Scheme)	875	437	39	6	1	30	1388
Dorset and Wiltshire Fire (2015/RDS Scheme)	81	4	8	0	0	1	94
Unknown Modified Scheme	0	0	1	0	0	0	1
Tyne and Wear Fire (1992 Scheme)	0	67	1217	201	0	0	1485
Tyne and Wear Fire (2006 Scheme)	0	30	5	0	0	0	35
Tyne and Wear Fire (2006/RDS Scheme)	0	1	1	0	0	0	2
Tyne and Wear Fire (2015 Scheme)	587	53	16	0	0	12	668
Tyne and Wear Fire (2015/RDS Scheme)	0	0	1	0	0	0	1
Northumberland Fire (1992 Scheme)	0	19	277	49	0	0	345
Northumberland Fire (2006 Scheme)	0	81	15	7	2	0	105
Northumberland Fire (2006/RDS Scheme)	0	13	33	1	0	0	47
Northumberland Fire (2015 Scheme)	305	127	7	0	0	5	444
Northumberland Fire (2015/RDS Scheme)	6	3	3	0	0	0	12
Norfolk Fire (1992 Scheme)	0	43	380	68	0	0	491
Norfolk Fire (2006 Scheme)	0	101	23	9	0	0	133
Norfolk Fire (2006/RDS Scheme)	1	7	63	0	0	0	71

Norfolk Fire (2015 Scheme)	615	219	26	17	7	9	893
Norfolk Fire (2015/RDS Scheme)	17	2	1	0	0	0	20
Staffordshire Fire (1992 Scheme)	0	24	557	106	0	0	687
Staffordshire Fire (2006 Scheme)	0	311	28	6	2	0	347
Staffordshire Fire (2006/RDS Scheme)	0	32	89	1	0	0	122
Staffordshire Fire (2015 Scheme)	549	353	29	14	15	5	965
Staffordshire Fire (2015/RDS Scheme)	28	4	3	0	0	0	35
LB Hounslow LGPS	6989	7647	7234	910	1386	141	24307
LB Hounslow Teachers Compensation	0	0	128	42	0	0	170
Hereford and Worcester (1992 Scheme)	0	32	388	65	0	0	485
Hereford and Worcester (2006 Scheme)	0	125	31	8	1	0	165
Hereford and Worcester (2006/RDS Scheme)	0	9	44	1	0	0	54
Hereford and Worcester (2015 Scheme)	565	269	26	2	3	11	876
Hereford and Worcester (2015/RDS Scheme)	20	2	4	0	0	1	27
Durham and Darlington (1992 Scheme)	0	29	470	96	0	0	595
Durham and Darlington (2006 Scheme)	0	73	12	1	0	0	86
Durham and Darlington (2006/RDS Scheme)	0	9	27	0	0	0	36
Durham and Darlington (2015 Scheme)	450	163	14	3	0	11	641
Durham and Darlington (2015/RDS Scheme)	8	2	2	0	0	1	13
East Sussex (1992 Scheme)	0	59	510	104	1	0	674
East Sussex (2006 Scheme)	0	124	13	6	3	0	146
East Sussex (2006/RDS Scheme)	0	16	40	0	0	0	56
East Sussex (2015 Scheme)	530	190	21	2	1	61	805
East Sussex (2015/RDS Scheme)	9	2	1	0	0	0	12
LB Barnet Councillors	0	10	15	2	0	0	27
LB Barnet LGPS	9706	9408	8341	1022	1378	437	30292
LB Barnet Teachers Compensation	0	0	334	43	0	0	377
Derbyshire (1992 Scheme)	0	30	605	101	0	0	736
Derbyshire (2006 Scheme)	0	128	21	9	5	0	163
Derbyshire (2006/RDS Scheme)	0	31	67	1	0	0	99
Derbyshire (2015 Scheme)	689	213	13	3	8	4	930
Derbyshire (2015/RDS Scheme)	16	6	5	0	0	0	27
Leicestershire (1992 Scheme)	0	35	539	80	1	0	655
Leicestershire (2006 Scheme)	0	136	28	4	9	0	177

Leicestershire (2006/RDS Scheme)	0	11	51	0	0	0	62
Leicestershire (2015 Scheme)	559	177	29	2	1	9	777
Leicestershire (2015/RDS Scheme)	5	2	2	0	0	0	9
Nottinghamshire (1992 Scheme)	0	41	707	121	1	0	870
Nottinghamshire (2006 Scheme)	0	159	30	11	6	0	206
Nottinghamshire (2006/RDS Scheme)	0	33	66	0	0	0	99
Nottinghamshire (2015 Scheme)	602	189	32	1	0	4	828
Nottinghamshire (2015/RDS Scheme)	16	4	2	0	0	0	22
Cambridgeshire (1992 Scheme)	0	25	376	50	4	0	455
Cambridgeshire (2006 Scheme)	0	202	10	1	3	0	216
Cambridgeshire (2006/RDS Scheme)	0	11	47	0	0	0	58
Cambridgeshire (2015 Scheme)	467	241	19	0	4	10	741
Cambridgeshire (2015/RDS Scheme)	7	2	2	0	0	0	11
Northamptonshire (1992 Scheme)	0	19	353	55	0	0	427
Northamptonshire (2006 Scheme)	1	92	6	1	10	0	110
Northamptonshire (2006/RDS Scheme)	0	10	28	0	0	0	38
Northamptonshire (2015 Scheme)	392	226	9	0	4	13	644
Northamptonshire (2015/RDS Scheme)	9	0	0	0	0	0	9
Shropshire (1992 Scheme)	0	17	249	35	2	0	303
Shropshire (2006 Scheme)	0	106	5	5	4	0	120
Shropshire (2006/RDS Scheme)	0	11	69	1	0	0	81
Shropshire (2015 Scheme)	417	172	17	5	2	13	626
Shropshire (2015/RDS Scheme)	23	2	1	0	0	0	26
Warwickshire (1992 Scheme)	0	23	353	64	0	0	440
Warwickshire (2006 Scheme)	0	96	5	1	2	0	104
Warwickshire (2006/RDS Scheme)	0	8	18	0	0	0	26
Warwickshire (2015 Scheme)	365	141	11	4	3	39	563
Warwickshire (2015/RDS Scheme)	2	1	0	0	0	1	4

503321

Customer Survey Results – WYPF Members (1st January to 31st March 2023)

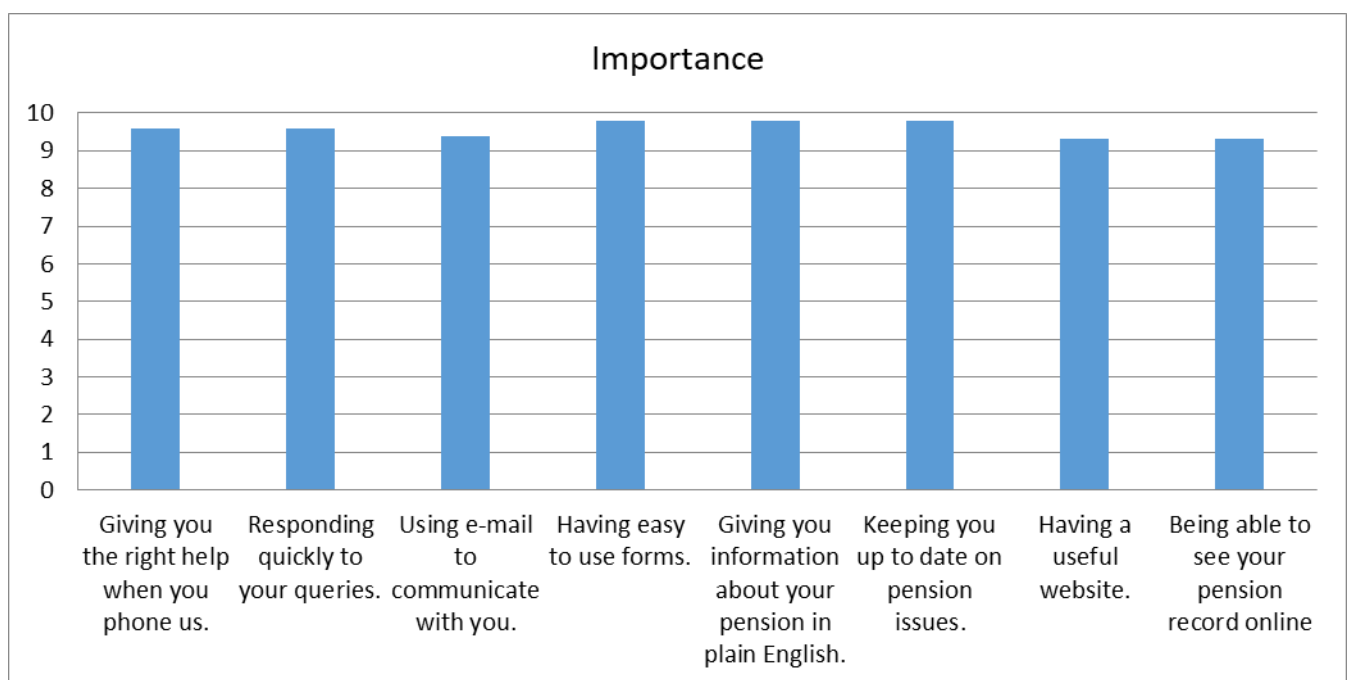
Over the quarter January to March, we received **2** online customer responses.

Over the quarter January to March **641** sample survey letters were sent out and **85 (13.3%)** returned:

Overall Customer Satisfaction Score:

January to March 2022	April to June 2022	July to September 2022	October to December 2022	January to March 2023
84%	96.3%	93.2%	96.9%	93.2%

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



Sample of positive comments:

Member Name /Number	Comments
1168541	Excellent. Great service when asking questions, I was reassured that no question was any trouble to answer and told on phone whenever I have any query.
1027208	I was very impressed the way how my query was dealt with very quickly. very easy to understand, didn't feel bogged down with jargon.
1222733	Very helpful answering my question.
1197480	Good, clear service, very helpful. Service was very clear, response was fast and clear, happy with service.
1179264	Excellent. Can't fault from emails, phone calls and general help was given.

Complaints/Suggestions:

Member Number	Comments	Summary of Acknowledgement Letter Sent to Member
None		

Customer Survey Results - Lincolnshire Members

(1st January to 31st March 2023)

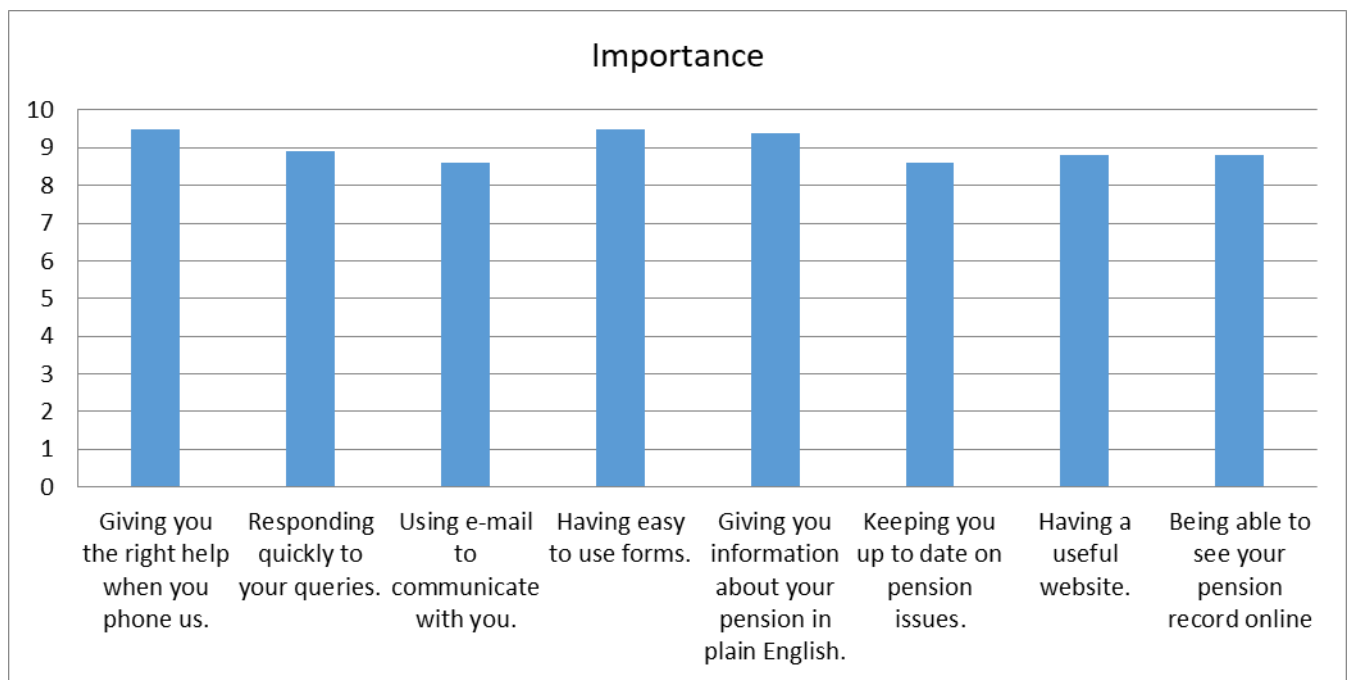
Over the quarter January to March we received **1** online customer response.

Over the quarter January to March **182** Lincolnshire member's sample survey letters were sent out and **26 (14.3%)** returned:

Overall Customer Satisfaction Score;

January to March 2022	April to June 2022	July to September 2022	October to December 2022	January to March 2023
95.3%	80.2%	90.4%	81.3%	89.9%

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



Sample of positive comments:

Member Number	Comments
8148775	Pretty good. Communications received in plain English which is really helpful.
8037354	On the occasion when I contacted you, I received very friendly, helpful and knowledgeable staff who have answered my queries perfectly.
8149483	Very helpful, explained things very clearly. Issues dealt very promptly and explained clearly.
8045063	Extremely helpful. Couldn't fault service, especially when new pension provider lost all applications and paperwork and yourself provided me everything very quickly.

Complaints/Suggestions:

Member Number	Comments	Summary of Acknowledgement Letter Sent to Member
None		

Customer Survey Results - Hounslow Members (1st January to 31st March 2023)

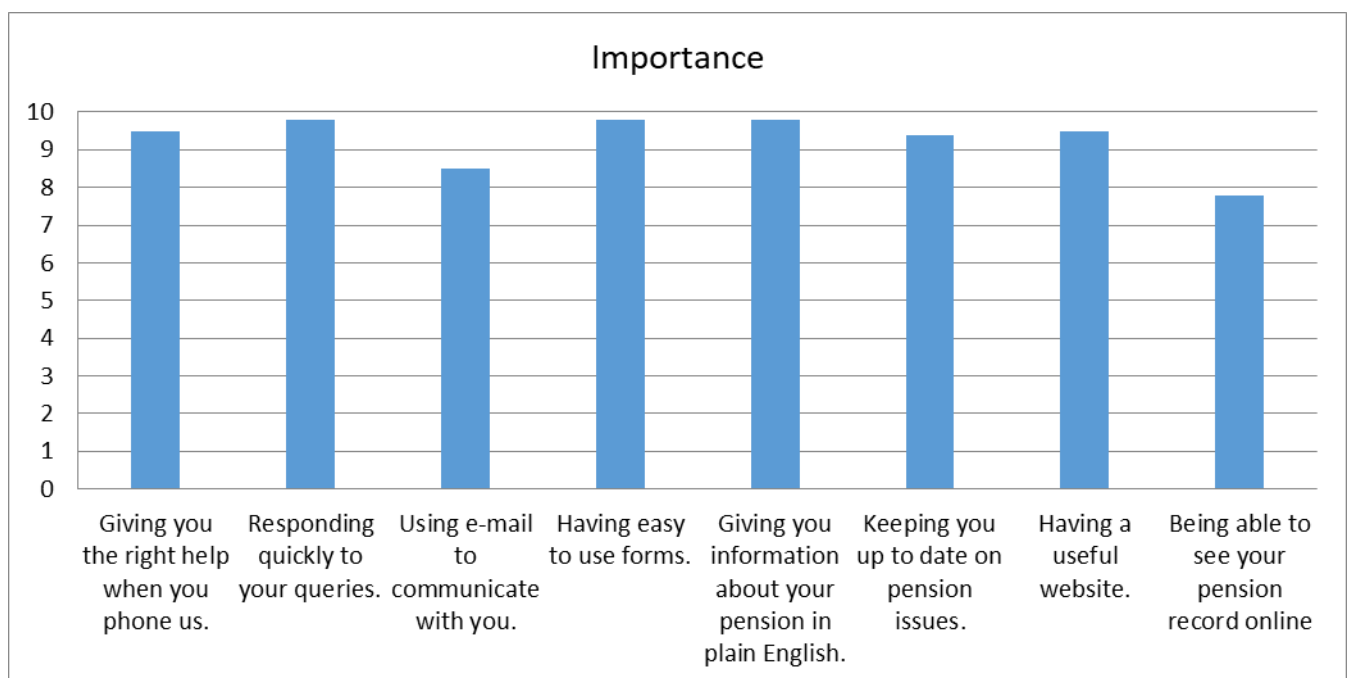
Over the quarter January to March we received **1** online customer response.

Over the quarter January to March **27** Hounslow member's sample survey letters were sent out and **4 (14.9 %)** returned:

Overall Customer Satisfaction Score;

January to March 2022	April to June 2022	July to September 2022	October to December 2022	January to March 2023
94.5%	89.2%	90.8%	90.9%	91.8%

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



Sample of positive comments:

Member Number	Comments
18105548	Perfect, for nontechnical like me.
18102010	Great. very good service
18104378	The service provided up to the point whenever I called. A big thank you to Stuart Newbould for getting my pension sorted.

Complaints/Suggestions:

Member Number	Comments	Summary of Acknowledgement Letter Sent to Member
None		

Customer Survey Results – Barnet Members (1st January to 31st March 2023)

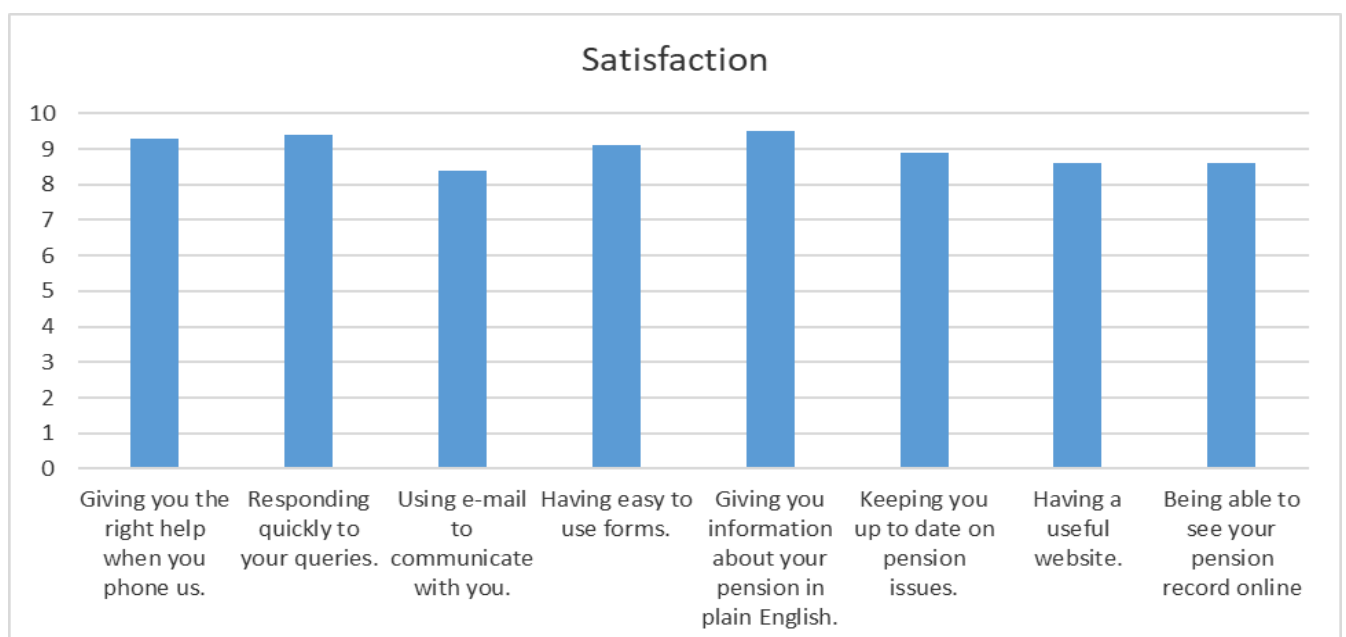
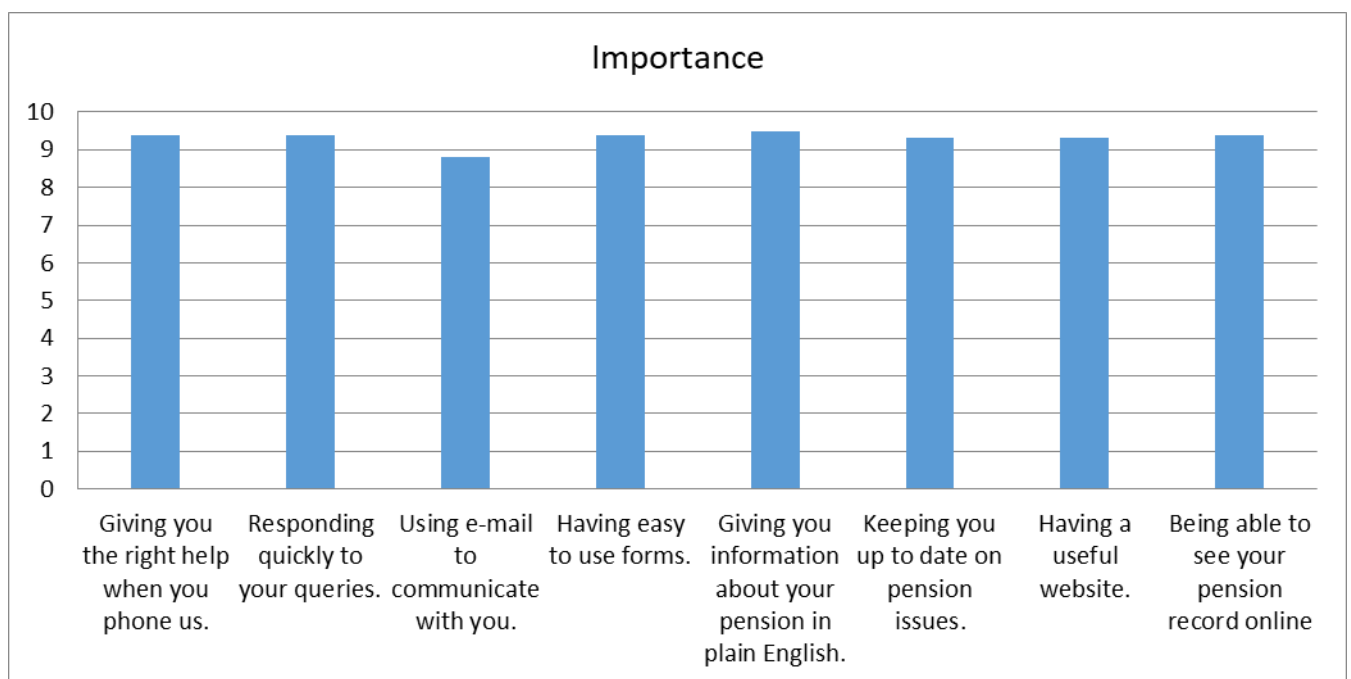
Over the quarter January to March we received **1** online customer response.

Over the quarter January to March **144** Barnet member’s sample survey letters were sent out and **24 (16.7%)** returned:

Overall Customer Satisfaction Score:

January to March 2022	April to June 2022	July to September 2022	October to December 2022	January to March 2023
91.1%	85%	86.5%	91.7%	88.4%

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



Sample of positive comments:

Member Name /Number	Comments
22038685	Very satisfied with each person I spoke to always very helpful. Just want to say thank you for making start to my retirement a very happy one.
22011979	Best service and response in simple way. marvellous service.
22040311	Clear to understand what is required, quick response.
22010625	It seems, well run, and relatively easy to navigate however keeping it paper based is so important at this stage.

Complaints/Suggestions:

Member Number	Comments	Summary of Acknowledgement Letter Sent to Member
None		

Council Workforce

1 June 2023

Select a Department or Service to filter the information shown

Dept

Chief Executive

Service

West Yorkshire Pension Fund

Council Headcount & True FTE



Chief Executive

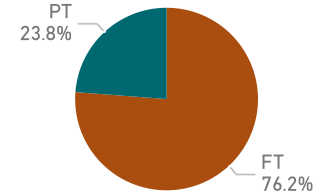
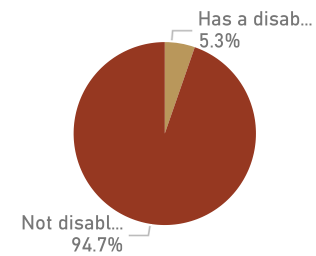
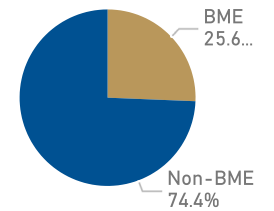
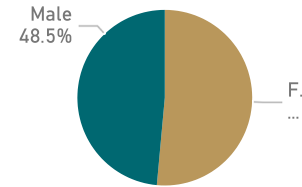
● Headcount ● FTE

205
Established Employees

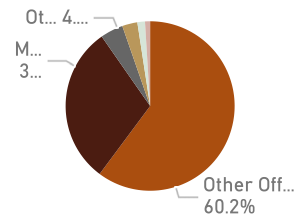
1
Temporary Employees

23
Casual Workers

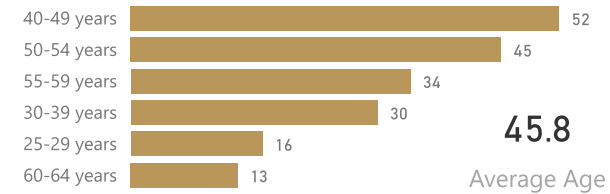
Protected Characteristics



Job Types



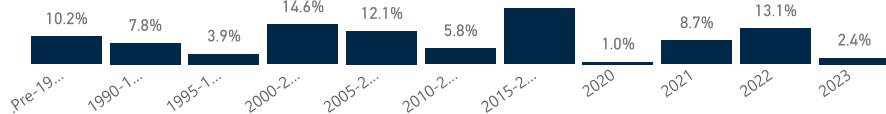
Age Bands



45.8

Average Age

Current Employee Start Year



This page is intentionally left blank

Absence Performance

Council staff in 12 month period to 1 April 2023

Select a Department or Category to filter the information shown:

Department

Sickness Category

West Yorkshire Pension F... ▾

All ▾

Department BV12 Sickness Outturns	2020	2021	2022	2023
Chief Exec's & Office of the Chief Exec	4.87	7.30	16.08	13.74
Children's Services	14.98	12.52	18.03	16.66
Corporate Resources	11.35	9.47	11.01	10.59
Health & Wellbeing	13.37	13.66	16.58	17.48
Place	13.58	9.23	13.98	13.30
West Yorkshire Pension Fund	6.05	5.48	7.33	6.11
Council Total (excluding Schools)	12.96	10.75	14.56	14.04

YE Total Sickness

1,136

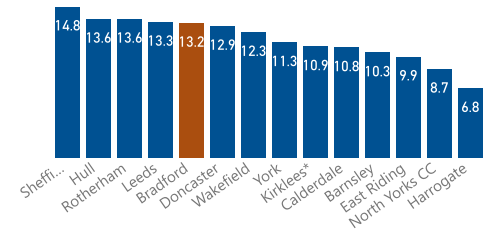
Total FTE Days Lost

YE Total Sickness

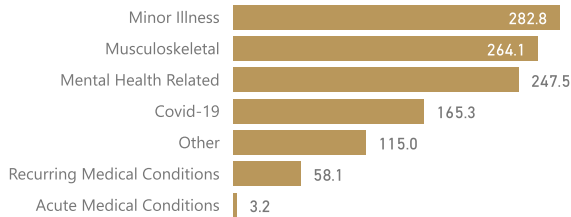
£142.5K

Total Sick Pay Cost

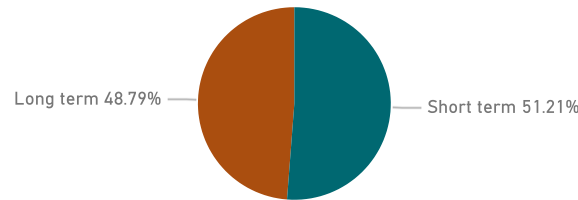
BV12 Local Authority Comparison 2021/22



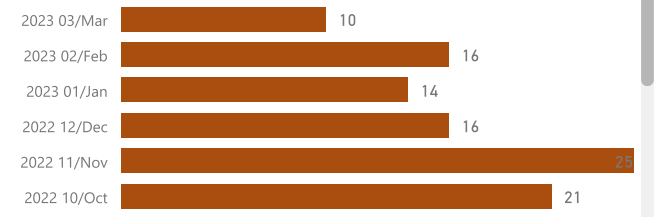
Sickness Category (FTE days) at Year End



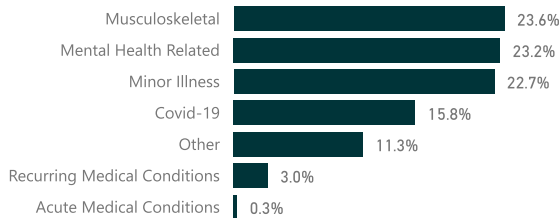
FTE Days by Term at Year End



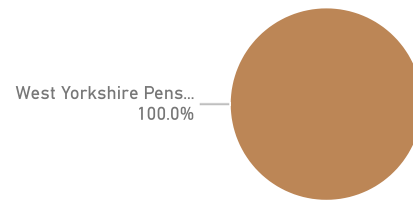
Sickness Spells Commenced per Month



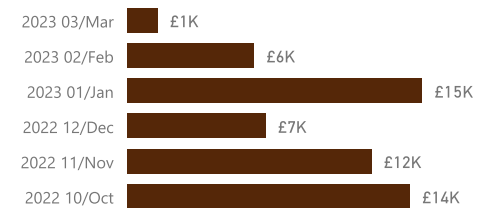
Sick Pay by Category (£) at Year End



Sick Pay Costs Split at Year End



Sick Pay Cost by Month Commenced (£)



This page is intentionally left blank

Starters

1 Jun 2023

Start Date

6/1/2022

5/31/2023

Number of Starters

Chief Executive



17

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

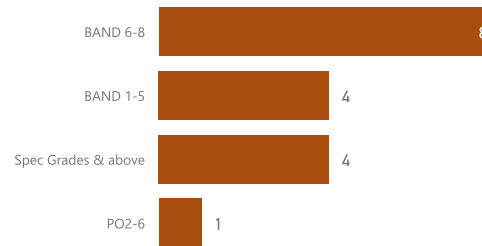
< Show All >

< Gender >

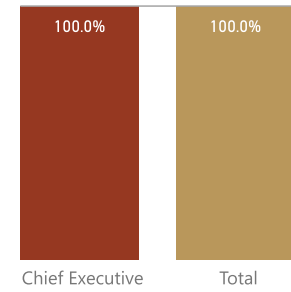
< Ethnicity >

< Disability >

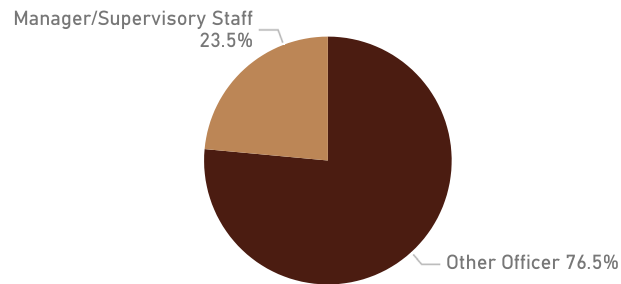
Starter Pay Band



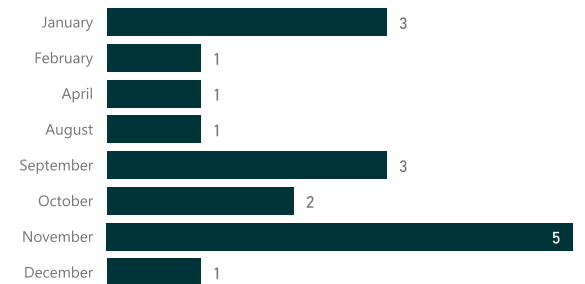
Percentage of Starters



Starter Job Types



Starters Over Time



This page is intentionally left blank

Leavers

1 Jun 2023

Leaving Date

6/1/2022

5/31/2023

Number of Leavers

Chief Executive



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 for multiple selections from a single dropdown)

Age Band

All

BME

All

Disability

All

Employee G ...

All

Gender

All

Payscale

All

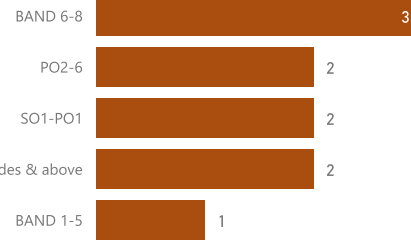
< Show All >

Leavers by Payscale

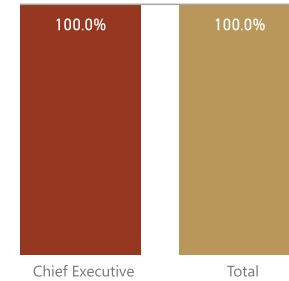
< Gender >

< Ethnicity >

< Disability >



Percentage of Leavers

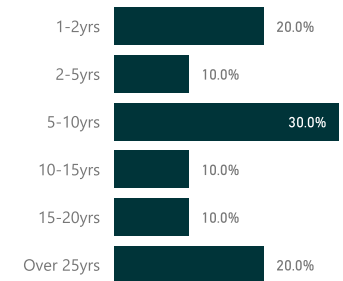
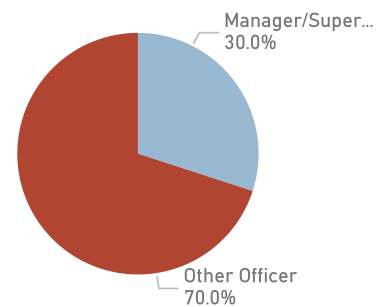
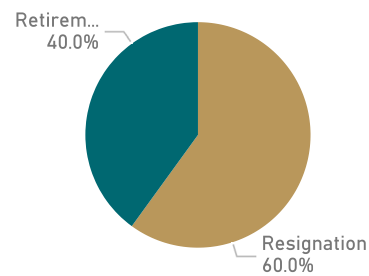
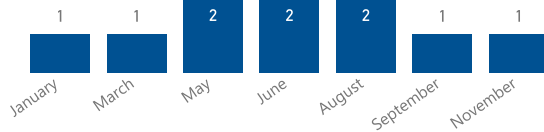


Leaving Reasons

Leaver Job Types

Leaver Length of Service

Leavers Over Time



This page is intentionally left blank



Report of the Director, West Yorkshire Pension Fund, to the meeting of Joint Advisory Group to be held on 27 July 2023

B

Subject:

West Yorkshire Pension Fund (WYPF) Finance Report.

Summary statement:

This report presents the WYPF 2022/23 financial outturn, financial and service performance and the draft 2022/23 annual report and accounts (WYPF accounts). The Local Government Pension Scheme Regulations 2013 (LGPS Reg 2013), Regulation 57 specifies that:

1. An annual report must be prepared each year ending 31 March.
2. The annual report must be published by 1st December following the yearend.
3. WYPF must also have regard to guidance from the Secretary of State and use best practice.

The WYPF accounts is part of the City of Bradford Metropolitan District Council (CBMDC) account, the WYPF accounts will be audited by the Council Auditor "Mazars LLP" and signed by Mazars as part of the City of Bradford accounts bundle. The audited WYPF accounts are also required by all West Yorkshire employers that are employer members of WYPF and LGPS Regulations 2013 Regulation 56 stipulates that WYPF must supply audited accounts to all its employers. WYPF complies with this regulation by publishing the audited annual report and account on the WYPF website. All local authorities 2021/22 final accounts audit opinions were delayed due to a new Statutory Instrument (SI) No1232 on Council accounts that came into force on 25/12/22. Whilst this issue has been resolved, there are two new developments, that caused further delays:

- a. By the time the issues raised by SI No1232 were resolved in January 2023. The pension triennial valuation has been completed, as such auditors across the country needed the impact of the completed pension valuation to be reflected in the 2021/22 pension accounts. CBMDC auditors (Mazars LLP) work was also delayed, due to NHS audit commitments.
- b. A number of local authorities including Bradford are also reviewing their accounts to find ways of maximising revenue resources.

As of 10 July 2023, the two issues above are unresolved. Both Mazars and Bradford are working very hard to resolve these issues, with the aim to resolve by end of July 2023.

Euan Miller
Managing Director WYPF

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

Portfolio:

Overview & Scrutiny Area:

1 SUMMARY

- 1.1 In order to comply with statutory accounting requirements for Local Government and Local Government Pension Schemes, WYPF must prepare an annual report and accounts. The 2022/23 financial outturn, financial and service performance and the draft 2022/23 annual report and accounts (WYPF accounts) are presented to the Joint Advisory Group to note. The WYPF 2022/23 annual report and accounts will be presented to Bradford Council Governance and Audit Committee later in the year for approval.
- 1.2 This report provides a summary of West Yorkshire Pension Fund's financial position at the end of the year, and key financial activities during the year ended 31 March 2023. The accounts have been prepared in accordance with:
- CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2021/22
 - CIPFA Guidance on Accounting for Local Government Pension Scheme Management Costs
 - Latest Pensions Statement of Recommended Practice
 - International Financial Reporting Standards (IFRS), as amended for the UK public sector

The annual report and accounts complies with all relevant regulations and best practice.

External Auditor work 2022/23

- 1.3 The Council's auditor Mazars will be present at this meeting to discuss their approach to the final audit for WYPF, their plan will ensure their work is completed to meet WYPF regulatory deadlines.
- 1.4 Mazars officers will give a verbal update on their work on the 2021/22 accounts, and their planned work on the 2022/23 accounts.
- 1.5 The 2022/23 and the 2021/22 WYPF Draft Report and Accounts are available and will be circulated electronically to JAG members attached as Appendix 1a and 1b to this report.

2 BACKGROUND

Net value of assets

- 2.1 The net asset value of the Fund as at 31 March 2023 is £17,952.93m, a net value reduction of £26.53m (0.15%) from 31 March 2022. This reduction is significantly less than the financial market reduction for the benchmark WYPF is tracking. The table below gives net assets values for the last ten years including 2022/23.

<u>Year to 31 March</u>	<u>Net Asset</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
	<u>£m</u>	<u>£m</u>	
2023	17,952.93	(26.53)	(0.15%)
2022	17,979.47	4,765.17	36.06%
2021	13,214.30	(1,148.74)	(8.00%)
2020	14,363.04	796.41	5.87%
2019	13,566.63	(65.70)	(0.48%)
2018	13,632.33	2,421.35	21.60%
2017	11,210.98	(108.22)	(0.96%)
2016	11,319.20	950.40	9.17%
2015	10,368.80	428.50	4.31%
2014	9,940.30	1,155.89	13.16%

Change in net assets during the year

- 2.2 The reduction in net assets of £26.53m between 31 March 2022 and 31 March 2023 is mainly due to negative financial markets movements between January and March 2023.

Return on investment

- 2.3 The total return on investment in 2022/23 is a negative return of £26.53m. This is made up of £436.15m loss in market value, this is reduced by income of £498.92m from dividends, interest, and stock lending commission of £2.21m, less taxes on income £6.36m.

Net cashflow

- 2.4 WYPF continues to have a positive net cashflow, in 2022/23 net cash was £429.58m (2021/22 £323.27m).

£000		£000
(£103,823)	Net additions/(withdrawals) from dealing with members	(£71,547)
£425,221	Investment income	£498,917
£1,871	Stock lending	£2,210
£323,269		£429,580

Investment performance

- 2.5 In 2022/23 financial assets / investment performance was 0.6%. This is 1.7% above our benchmark. The long term track record is also positive, as shown in the table below, over ten years WYPF has outperformed the benchmark by 1.0% per annum. Investment returns against benchmark are as follows:

<u>31-Mar-23</u>	<u>Annualised Return</u>	<u>Fund Specific Benchmark</u>	<u>Over /(Under)</u>
	<u>%</u>	<u>%</u>	<u>%</u>
One Year	0.60	(1.10)	1.70
Three Years	11.40	9.00	2.40
Five Years	6.40	5.10	1.30
Ten Years	7.40	6.40	1.00

2022/23 service financial performance

- 2.6 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.
- 2.7 Our rigour in managing services and monitoring financial activities and expansion of shared services delivered budget savings of £2.19m. The cost of managing Pension Administration Shared Service, WYPF Investment Management and WYPF Oversight and Governance cost are paid for by a charge to the WYPF Fund Account, net of our LGPS and Fire & Rescue Service partners.
- 2.8 The table below gives a summary of WYPF total budget and cost for 2022/23, the approved budget for 2023/24, forecast for 2024/25 and 2025/26. The information in this report is informed by a detailed 10yr financial plan.

WYPF TOTAL SERVICE	21/22 FINAL	22/23 BDGT	22/23 FRCST MAR	22/23 ACT YREND	22/23 VAR YREND	22/23 PER MBR	23/24 ORG BDGT	24/25 FRCST YR2	25/26 FRCST YR3
	£000	£000	£000	£000	£000		£000	£000	£000
01 PENSION ADMINISTRATION	4,225	5,250	5,267	5,270	-20	£16.54	6,303	6,366	6,430
03 OVERSIGHT	699	1,004	1,029	1,009	-5	£2.95	998	1,008	1,018
WYPF PENSION ADMIN & OVERSIGHT	4,924	6,254	6,296	6,284	-30	£19.49	7,301	7,374	7,448
02 INVESTMENT MANAGEMENT	5,531	8,496	7,377	7,322	1,174	£22.92	9,308	9,401	9,495
TOTAL WYPF NET EXP	10,455	14,750	13,673	13,606	1,144	£42.41	16,609	16,775	16,943
PER MBR sf3	£34.06								
PER MBR account	£33.97	£47.58				£51.17	£51.01	£51.52	£51.02
MBR NUMBER	307,796	310,000					319,489	332,091	338,732

WYPF TOTAL SERVICE	21/22 FINAL	22/23 BDGT	22/23 FRCST MAR	22/23 ACT YREND	22/23 VAR YREND	22/23 PER MBR	23/24 ORG BDGT	24/25 FRCST YR2	25/26 FRCST YR3
	£000	£000	£000	£000	£000		£000	£000	£000
Accommodation	301	261	350	345	-84	£1.08	371	375	378
Actuary	189	350	300	317	33	£0.86	301	304	307
CBMDC Support Services	459	463	559	559	-96	£1.75	567	573	578
Computer	1,351	1,216	1,914	1,902	-686	£5.95	1,893	1,912	1,931
Contingency - Invest to save	0	1,000	0	0	1,000	£0.00	750	758	765
Employees	8,199	10,643	9,903	9,842	801	£30.81	12,240	12,362	12,486
Other Running Costs	1,007	1,027	1,218	1,179	-152	£3.73	1,060	1,071	1,081
Printing & stationery	373	299	403	402	-103	£1.26	350	354	357
Transaction Costs	1,333	2,500	2,321	2,320	180	£7.26	2,500	2,525	2,550
WYPF TOTAL SERVICE EXP	13,212	17,759	16,968	16,866	893	£52.70	20,032	20,232	20,435
Other Income	-214	-179	-260	-237	58	-£0.74	-200	-202	-204
Shared Service Income	-2,543	-2,830	-3,035	-3,024	194	-£9.55	-3,222	-3,254	-3,287
WYPF TOTAL SERVICE NET EXP	10,455	14,750	13,673	13,605	1,145	£42.41	16,610	16,776	16,944
PER MBR sf3	£34.06								
PER MBR account	£33.97	£47.58				-£5.17	£51.02	£51.53	£51.02
MBR NUMBER	307,796	310,000				319,489	325,579	332,091	338,732

2.9 The 2022/23 yearend net expenditure is £13.61m against a net budget of £14.75m, underspend of £1.14m. Cost per member is currently £42.41. Commentary on yearend spend against budget are provided below:

- a. **Accommodation** - overspend of £0.08m – planned repairs and cost of utilities, however there is reduced foot fall in the building, with resulting reduction in cleaning and general maintenance.
- b. **Actuary cost** - underspend of £0.03m actuarial work increased in March as result of increased accounting and employer triennial engagement work, on a positive note we still manage to bring spend to below budget.
- c. **CBMDC support service cost** - overspend of £0.10m, expected review of central support charges was delivered in October22 resulting in increased charges, this is against the background of increased service take up and staff increase in WYPF, whilst staff numbers in the Council has reduced.
- d. **Computer costs / IT** – overspend of £0.69m, mainly due to provisions made for future costs of McCloud system development, pension dashboard, network servers, disaster recovery and digital services. Most of these are being funded by increase charges per member for shared service. The aim is to keep our investment in IT systems constant, by anticipating IT costs and planning for IT projects.

- e. **Invest to save** – The full £1m provision has been released to support expenditure across the fund and additional IT projects.
- f. **Employees** – underspend of £0.80m, mainly due to vacancies in investments and WYPF support services, there is a £0.18m overspend in pension admin. In the next few years we are looking at increased staffing resources to address increased workload and regulations.
- g. **Other running costs** overspend of £0.15m, mainly on cost of performance measurement, planned reduction in discount received from NT for financial asset custody, projected increase in Northern LGPS Pool share of costs and miscellaneous adjustments for cost of services.
- h. **Printing and stationery** overspend of £0.10m, increased printed communications for new shared service members. We expect this forecast to go down as a direct savings from increased uptake of digital services.
- i. **Investment transaction** underspend of £0.18m, increased investment activities in recent months has reduced underspends to a moderate level.
- j. **Other income** £0.06m more income collected than planned – treasury recharged to Bradford and stock lending activities; there is a noted reduction in recharge to Northern LGPS - GLIL.
- k. **Shared service income** £0.19m more income collected due to increased number of shared service partners. Shared service income for 2022/23 is £3.02m and forecast to grow in future years.

WYPF 2023/24 BUDGET

- 2.10 The budget for 2023/24 was approved by both the WYPF Joint Advisory Group (JAG) and the WYPF Investment Advisory Panel (IAP) in January 2023. The budget was compiled using last year's budget, adjusted for cost specific inflation, additional service costs and removing cost of services not needed. This process resulted in a base budget of £16.61m. The final net expenditure for 2022/23 is £13.61m. All financial summaries are 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 £0.75m for 2023/24. Most of this is funded from increased income from shared service recharges, efficiencies and saving activities already delivered.

Inflation and specific cost increase impacts

- 2.11 Using activity costing we have looked at the cost of each contract with managers and consider a minimal cost increase for staff cost inflation of 5%, this will be adjusted once pay awards are confirmed. With continuing national and global inflation and supply cost pressures we are expecting more costs pressures across our services and these are being factored into the medium and long term budget projections. The latest forecast for 2023/24 indicates we are spending within the total budget, however there are small

overspends across a number of service areas and equally various compensating underspends.

WYPF cost performance

- 2.12 Based on the latest (2021/22) government statistics “sf3” result annual total cost per member of management for WYPF is £34.06 (1st), pension administration £13.76 (3rd), investment management £18.02 (1st) and oversight and governance £2.28 (5th). These figures placed WYPF 1st in the LGPS league table. The second place fund Nottinghamshire total cost is £68.19.

WYPF COST PER MEMBER	2019/20 Sf3	2020/21 Sf3	2021/22 ACTUAL	2021/22 Sf3	2022/23 BUDGET	2022/23 ACTUAL	2023/24 BUDGET
MEMBER NUMBER	295,366	298,317	307,796	307,796	310,000	319,489	325,579
WYPF PENSION ADMIN	£16.23	£13.46	£13.73	£13.76	£16.82	£16.53	£19.36
WYPF INVEST MANAGEMENT	£22.83	£17.25	£17.97	£18.02	£28.29	£22.92	£28.59
WYPF OVERSIGHT	£2.88	£2.93	£2.27	£2.28	£3.09	£2.95	£3.06
TOTAL COST PER MEMBER	£41.94	£33.64	£33.97	£34.06	£48.20	£42.41	£51.01
INVESTMENT VALUE (000)	£13,180,582	£16,267,534	£17,760,000	£17,760,000	£17,500,000	£17,895,705	£18,000,000
COST OF INVEST MANAGEMENT	£6,697	£5,129	£5,531	£8,496	£6,090	£7,322	£9,308
COST OF INVEST MANAGEMENT IN BASIS POINTS (bps)	5.08	3.15	3.11	4.78	3.48	4.09	5.17

Investment cost of management in basis points (bps)

- 2.13 Using basis points (bps) WYPF investment cost is between 3 and 5 bps of current investment asset value range of between £17.5 to £18.0 billion. Based on the Investment Association survey for the 2022 calendar year the average cost of investment management is 27bps, this is 400% 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.

UK LGPS management cost - latest (2021/22) government statistics “sf3”

- 2.14 Based on the latest government statistics sf3 figures LGPS average cost went up by 17%, WYPF went up by 1% between 2020/21 and 2021/22. The latest Cipfa and CEM benchmarking report also confirmed WYPF to be a high performing and low cost pension fund when compared to peer organisations within LGPS and the private sector.

Local Authority SF3 2021/22 (RANK 1 TO 10, PARTNERS) TOTAL NUMBER OF LGPS 85	Invst Mngmt Cost per mbr		Pension Admin Cost per mbr		Ovsht & Gov Cost per mbr		Total Mngmt Cost per mbr		2020/21 Total	
		Rank		Rank		Rank		Rank		Rank
West Yorkshire Pension Fund	18.02	1	13.76	3	2.28	5	34.06	1	33.63	1
Nottinghamshire	36.36	2	21.63	21	10.2	34	68.19	2	60.87	2
East Riding of Yorkshire UA	41.22	3	19.03	10	8.23	22	68.48	3	80.99	3
Middlesbrough UA	69.6	5	28.45	41	5.29	9	103.34	4	101.64	5
Surrey	93.67	7	33.85	54	-	1	127.52	5	116.6	7
Bedfordshire	103.1	8	19.25	14	16.95	62	139.3	6	128.64	8
Islington	54.9	4	68.52	75	22.32	71	145.74	7	135.22	10
Lewisham	87.48	6	44.43	64	16.07	59	147.98	8	109.89	6
Somerset	122.42	10	19.61	16	8.39	24	150.41	9	134.51	9
West Sussex	124.36	11	14.74	4	12.12	46	151.22	10	471.97	72
Lincolnshire	154.02	18	15.01	5	10.11	33	179.14	11	150.94	11
Hounslow	227.72	33	42.66	61	6.65	16	277.03	34	211.54	29
Tameside	280.64	49	15.28	6	3.09	6	299	41	101.63	4
Merseyside Pension Fund	289.38	51	22.46	24	14.2	50	326.04	47	284.17	44
Barnet	396.29	69	36.01	57	25.99	75	458.29	68	421.89	63
England & Wales AVERAGE	282.32		26.68		11.21		320.2	1.17	274.34	

Membership numbers

- 2.15 Our membership increased from 307,796 in 31 March 2022 to 319,489 in 31 March 2023, an increase of 3.8% (2021/22 3.2%).

Number of employers

- 2.16 The number of employers as at 31 March 2023 was 394, at 31 March 2022 it was 443, a reduction of 39.

Pension admin service performance

- 2.17 The table below shows our 2022/23 performance in 18 key work areas, this performance reflects the commitment of officers and managers in delivering services to all our clients.

Work type	Total cases	Target days	Target cases met	KPI target	Actual KPI	Actual KPI
	2022/23	2022/23	2022/23	2022/23	2022/23	2021/22
				%	%	%
1 Payment of pensioners (WYPF LG pensioners and beneficiaries)	2,069,184	Paid on due days	2,069,184	100	100.00	100
2 Change of address	3,508	20	3,401	85	96.95	95.77
3 Change to bank details	1,574	20	1,539	85	97.78	94.24
4 Death grant payments	3,036	10	2,757	85	90.81	91.76
5 Death in retirement	265	10	156	85	88.64	81.59
6 Deferred benefits	3,737	35	3,087	85	82.61	90.93
7 Deferred Benefits Into Payment Actual	2,874	5	2,836	90	98.68	95.32
8 Divorce quote	467	40	460	85	98.50	90.93
9 Monthly posting	5,366	10	5,096	95	95.00	94.19
10 Payroll changes	2,256	20	2,246	85	99.56	97.68
11 Pension estimate	2,654	10	2,056	90	77.47	83.06

Work type	Total cases 2022/23	Target days 2022/23	Target cases met 2022/23	KPI target 2022/23 %	Actual KPI 2022/23 %	Actual KPI 2021/22 %
12 Refund payment	2,194	10	2,177	90	99.23	99.41
13 Refund quote	3,963	35	3,627	85	91.52	99.73
14 Retirement actual	2,937	10	2,927	90	99.66	97.20
15 Transfer out payment	195	35	171	85	87.69	86.98
16 Transfer-in payment	467	35	434	85	92.93	94.48
17 Transfer-in quote	763	35	762	85	99.87	99.29
18 Transfer-out quote	2,107	35	2,042	85	96.92	92.44

3 OTHER CONSIDERATIONS

The financial accounts for the Council will be approved by the Governance and Audit Committee later in the year and an update will be provided at JAG's next meeting in January 2024.

4 FINANCIAL & RESOURCE APPRAISAL

The Council is required by law to produce an audited annual financial report for WYPF within the Council's financial statements.

5 RISK MANAGEMENT AND GOVERNANCE ISSUES

The WYPF report and accounts is a statutory financial document. It is a key element of financial risk management and governance, and provides the outcome of key financial controls in operation during the financial year.

6 LEGAL APPRAISAL

In order to meet statutory deadlines, the report and accounts have to be approved and signed by the Chair of Governance and Audit Committee on or before 1 December 2022. There are no other legal issues.

7 OTHER IMPLICATIONS

None

8 RECOMMENDATION

A. JAG note the content of the annual report and account and suggest any improvements.

B. JAG note the financial and service performance.

9 APPENDICES

Appendix 1a – WYPF Draft Report and Accounts 2022/23, circulated electronically.

Appendix 1b – WYPF Draft Report and Accounts 2021/22, circulated electronically.

This page is intentionally left blank



Report of the Managing Director West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 27 July 2023.

C

Subject:

Business Plan 2023 - 2028

Summary statement:

WYPF has developed a five year business plan which highlights objectives for the Fund and documents the priorities and improvement to be implemented to help achieve those objectives.

EQUALITY & DIVERSITY:

Issues of Equality and Diversity are included within the body of the document in Appendix A.

Euan Miller
Managing Director

Portfolio:

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

Overview & Scrutiny Area:

1.0 Background

Purpose

- 1.1 WYPF has developed a five year business plan for the period 2023-2028 which outlines the Fund's goals and objectives. The business plan will be formally reviewed and agreed every year by JAG/IAP. It will also be monitored during the year and updated as required.
- 1.2 The purpose of this business plan is to:
 - explain the objectives for the management of the WYPF
 - document the priorities and improvements to be implemented by the WYPF team during the next five years to help achieve those objectives
 - enable progress and performance to be monitored in relation to those priorities
 - provide staff, partners and customers with a clear vision for the next five years.
- 1.3 The business plan key actions and tasks will be brought to JAG to report on progress (Appendix A). The main body of the business plan will be published on WYPF's website (Appendix B).

2.0 Business Plan 2023 – 2028

- 2.1 Progress against some of the key priorities to date include:
 - G1 - Review of constitution, committees, delegations – Tender was published which has recently closed. Bid will be analysed and a preferred supplier will be chosen to undertake the review.
 - G2 – New members identified and training commenced.
 - G3 - Review Knowledge and Skills requirements – Review undertaken and a training plan will be published shortly.
 - G4 - Review cybercrime risk to Fund – A cyber exercise is being planned which will identify any vulnerabilities to our systems.
 - G6 - Succession Planning. In progress. Recruitment to key posts is ongoing.
 - G7 - Review and implementation of other governance related policies and strategies. In progress.
 - G12 – Procurement/Tenders. Our pensions administration software system contact is due for renewal. Work has started to negotiate an extension.
 - F9 - Development of unitisation and data validation. In progress with Aon.

- A1 - Implement McCloud / Sargeant remedy. In progress, awaiting final legislation.
- A2 – Scams. All members of the Pensions Board and staff working on Transfers have completed their training which has enabled WYPF to sign up to TPR’s Pension Scam pledge.
- A3 - Implement employer self-service on-line functionality to all employers including updating employer guide. In progress. Significant work has gone into phase 3 development of the monthly postings software. This is awaiting completion of security updates to systems before final penetration testing.
- A12 - Implement changes required for national pensions dashboard(s). In progress. Despite the ‘reset’ we have made good progress in appointing an ISP provider. Work will continue to ensure we are ready for the new deadline when it’s announced.

3. OTHER CONSIDERATIONS

- None

4. FINANCIAL & RESOURCE APPRAISAL

- Financial requirements are detailed within the body of the appendix documents.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

- Risks are detailed within the body of the appendix document.

6. LEGAL APPRAISAL

- Not applicable.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

- None

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

- None

7.3 COMMUNITY SAFETY IMPLICATIONS

- None

7.4 HUMAN RIGHTS ACT

- None.

7.5 TRADE UNION

- None

8. NOT FOR PUBLICATION DOCUMENTS

- None

9. OPTIONS

- None.

10. RECOMMENDATIONS

It is recommended that the JAG approve the Business Plan 2023 – 28 and note the progress on key objectives.

11. APPENDICES

Appendix A - Business Plan 2023 – 2028

Appendix B – Business Plan 2023 – 2028 (Key Tasks and Actions)

12. BACKGROUND DOCUMENTS

- None

West Yorkshire Pension Fund

Business Plan

2023 to 2028



West Yorkshire Pension Fund

Contents

Introduction	2
Background information	
Objectives	5
The plan for 2023–28.....	8
Business as usual	11
Business plan priorities.....	15
Further explanation of Business Plan items and additional information	
WYPF Management Team.....	18
Action Plan	18
APPENDIX A	Explanation of business plan key tasks and actions
APPENDIX B	Business Plan Budget
APPENDIX C	Suggested 2022/23 Agenda items
APPENDIX D	Communications plan
APPENDIX E	Business Plan activities for client LGPS funds and Fire authority clients



Introduction

Purpose

This document sets out the business plan for the West Yorkshire Pension Fund for the period 2023–2028 and outlines the Fund’s goals and objectives over the medium term. The business plan will be formally reviewed and agreed every year. It will also be monitored during the year and updated as required.

The purpose of this business plan is to

- explain the objectives for the management of the WYPF
- document the priorities and improvements to be implemented by the WYPF team during the next five years to help achieve those objectives
- enable progress and performance to be monitored in relation to those priorities, and
- provide staff, partners and customers with a clear vision for the next three years.

A budget has also been set for expected payments to and from the WYPF including the resources required to manage the Fund and deliver the business plan. This is set out in Appendix B.

Further information

If you require further information about anything in or related to this business plan, please contact:

Euan Miller
Managing Director

**West Yorkshire
Pension Fund**
Aldermanbury House
4 Godwin Street
Bradford
BD1 2ST

Email
euan.miller@wypf.org.uk

Telephone
01274 434517



Background information

WYPF is a c£18bn Local Government Pension Fund providing death and retirement benefits for relevant local government employees and former employees in West Yorkshire and those of other participating employers in the area.

Total Fund Membership

Total Fund membership is around 300,000 with around 100,000 active contributors from 450 contributing employers and 100,000 deferred members and 100,000 pensioners and dependents.

Governance and Management

The City of Bradford Metropolitan District Council, as the Administering Authority of the Fund, has delegated responsibility for the management of the West Yorkshire Pension Fund to the Governance and Audit Committee. The Council has established three bodies to assist and support the Governance and Audit Committee in overseeing the Fund, namely the WYPF Pension Board, WYPF Investment Advisory Panel and the WYPF Joint Advisory Group.

Under the Council's Financial Regulations, the day to day running of the Fund has been delegated to the Managing Director – West Yorkshire Pension Fund.

A range of advisors also provide guidance in relation to the management of the Fund.

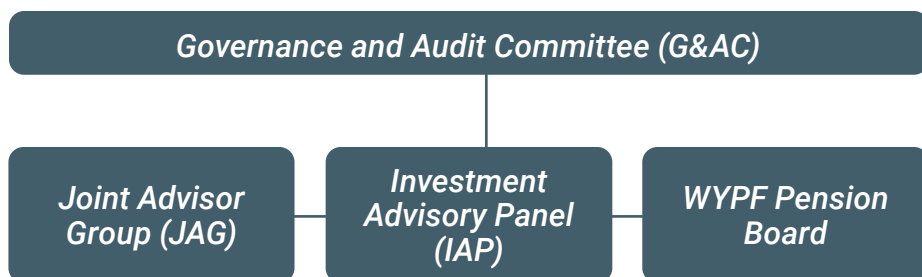
In line with the Local Government Pension Regulations 2013, the Pensions Board assists the Administering Authority in ensuring compliance with the regulations and helps oversee the work of the JAG, IAP and Governance and Audit Committee and how the Fund is administered.

The Fund's governance structure is depicted in the chart below.



Recent review of organisational structure

In 2018 WYPF's organisational structure was reviewed. A new structure was proposed which included assistant directors and allowed senior managers to focus on strategic matters and ensure the Fund was delivering on its objectives in the separate areas of investment, governance, finance, employer services and administration, and IT, projects and Communication.



Objectives

The primary objectives of the Fund are set out below. They have been agreed by the Governance and Audit Committee as part of the Fund's key strategies and policies, and as such are a key driver in determining what is in the Fund's business plan. The objectives are categorised as governance, funding, investments, administration and communications.

Governance Objectives

In relation to the governance of the fund, the administering authority's objectives are to ensure that:

- All staff, JAG, IAP, Governance and Audit Committee and Pension Board members charged with financial administration, decision-making or oversight of the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
- The Fund is aware that good governance means an organisation is open in its dealings with, and readily provides information to, interested parties.
- All relevant legislation is understood and complied with.
- The Fund aims to be at the forefront of best practice for LGPS funds.
- The Fund manages Conflicts of Interest appropriately.
- The Fund acts in the best interests of the Fund's members and employers
- The Fund has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies
- The Fund is managed, and its services delivered, by people who have the appropriate knowledge and expertise
- The Fund acts with integrity and is accountable to our stakeholders for our decisions, ensuring they are robust and well based
- The Fund understands and monitors risk
- The Fund strives to ensure compliance with the appropriate legislation and statutory guidance, and acts in the spirit of other relevant guidelines and best practice guidance
- The Fund clearly articulates its objectives and how it intends to achieve those objectives through business planning, and continually measure and monitor success
- The Fund ensures the confidentiality, integrity and accessibility of the Fund's data, and systems and services are protected and preserved.



Funding Objectives

The Funding Strategy Statement sets out that the aims of the Fund are to

- enable overall employer contributions to be kept as constant as possible and (subject to the Administering Authority not taking undue risks) at reasonable cost to the taxpayers, scheduled, designating, and admission bodies whilst achieving and maintaining the solvency of the Fund, which should be assessed in light of the risk profile of the Fund and the risk appetite of the Administering Authority and employers alike
- manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due. The Fund has a significant positive cash flow in terms of income received, including investment income, offset by monies payable; and
- maximise the returns from investments within reasonable risk parameters.

The Funding Strategy also sets out that the purpose of the Fund is to

- receive monies in respect of contributions from employers and employees, transfer values and investment income; and
- pay out monies in respect of Scheme benefits, transfer values, costs, charges and expenses as defined in the LGPS Regulations and as required in the Investment Regulations.
- In general terms, the Fund also has the following objectives:
 - establish a clear and transparent fund-specific strategy which will identify how employers' pension liabilities are best met going forward.
 - ensure that the regulatory requirements to set contributions so as to ensure the solvency and long-term cost efficiency of the Fund are met.
 - ensure the long-term solvency of the Fund, taking a prudent longer-term view.



Investment Objectives

The Investment Strategy Statement sets out that the investment aims of the Fund are to:

- Optimise the return on investment consistent with a prudent level of risk.
- Ensure that there are sufficient assets to meet the liabilities as they fall due (i.e. focus on cash flow requirements).
- Ensure the suitability of assets in relation to the needs of the Fund (i.e. delivering the required return).
- Ensuring that the Fund is properly managed (and where appropriate being prepared to change).
- Set an appropriate investment strategy for the Fund to allow the Administering Authority to seek to maximise returns and minimise the cost of benefits for an acceptable level of risk.
- Ensure return seeking assets are in line with funding objectives.

Administration Objectives

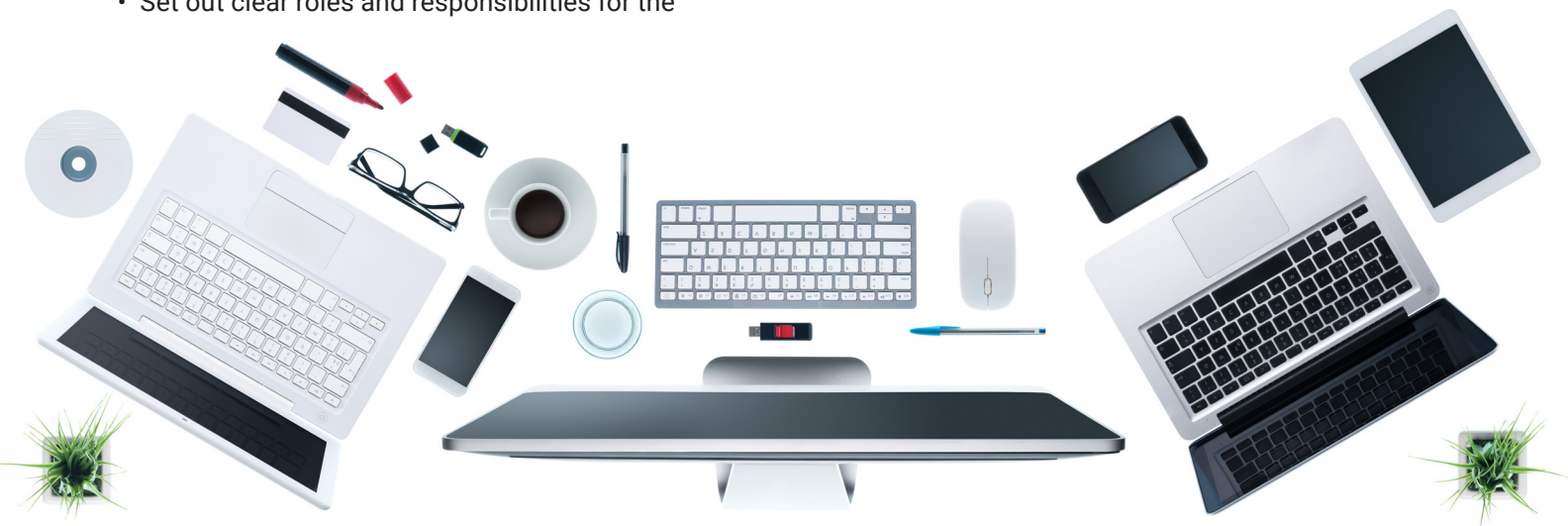
- Deliver an efficient, effective and value for money service to its scheme employers and scheme members and shared service partners.
- Ensure payment of accurate benefits and collect the correct contributions from the right people in a timely manner.
- Ensure the Fund's employers are aware of and understand their role and responsibilities under the LGPS regulations and in the delivery of the administration function.
- Maintain accurate records and communicate all information and data accurately, and in a timely and secure manner.
- Set out clear roles and responsibilities for the

Fund and work together to provide a seamless service to scheme employers and scheme members.

- Continuously review and improve the service provided, including ensuring that any new administration contracts secured by the Fund positively contribute to service improvements for the Fund's stakeholders

Communications Objectives

- The Fund's Communications Policy lists the following key objectives:
- Promote the scheme as a valuable benefit and provide sufficient and up to date information so members can make informed decisions about their benefits.
- Ensure the Fund uses the most appropriate means of communication, taking into account the different needs of different stakeholders.
- Look for efficiencies in delivering communications including greater use of technology.
- Evaluate the effectiveness of communications and shape future communications appropriately
- Use plain English for all our communications with stakeholders
- Communicate the scheme regulations and procedures in a clear and easy to understand style
- Communicating with our scheme members about their membership of the Fund
- Use technology to provide up to date and timely information to stakeholders
- Engage with our stakeholders face-to-face when required
- Evaluate the effectiveness of communications and shape future communications appropriately



The plan for 2023–28

There are many and varied external factors that may or will impact the management of the Fund, in addition to major changes that have been implemented in recent years.

Recent developments and changes

These include:

- A focus on the Fund's governance, including an internal review of the Fund's adherence to the Pensions Regulator's Code of Practice 14 which was last completed in December 2017.
- A review of the Fund's operational structure and introduction of a revised structure with effect from September 2020. A new Managing Director and Chief Investment Officer also joined in late 2022.
- Implement a solution for the Pensions Dashboard requirements
- Introduction of a carbon reduction target for investments and development of the Fund's responsible investment approach.
- Expansion of our external customer base such that we now provide administration services to 3 other LGPS funds and 24 Fire authorities, as part of our objectives to deliver greater efficiencies and "future proof" the Fund
- changes to how the pensions administration software is used, including online member and employer services
- Developing controls relating to cybercrime and business continuity; ensuring internal capability to identify and implement remedies to emerging risks
- These and other areas of recent focus put us in a strong position to meet the challenges ahead.

Future challenges and areas of focus

The following are some of the key areas of focus for the Fund over the next five years:

- Implementing amendments to the LGPS Regulations following the McCloud case
- Implementing a member on-line self-service facility
- Extend our audit, and fraud processes to match our extending online offer
- Implementing an employer on-line system, allowing more timely submission of data and in a more automated manner
- Understanding and complying with The Pension Regulator's new Single Modular Code
- Implementing any governance changes as a result of the Scheme Advisory Board's Good Governance review
- Understanding any risks and developing controls relating to cybercrime and business continuity
- Further developing the Fund's Responsible Investment Policy, with a focus on both sustainable investment and stewardship of assets and complying with any new requirements on TCFD (Task Force on Climate-related Financial Disclosures)

- Implementing the Fund’s investment strategy including oversight of pooling This approach will be reviewed periodically to ensure this continues to demonstrate value for money
- Implementing any changes in relation to early retirement strain costs/ payments if a cap on exit payments is reintroduced
- Continuing to work with the Fund’s employers to reduce the risk of unpaid contributions and/or exit deficits, including via the implementation of our recently introduced policy on employer flexibilities
- Working in partnership with the employers and the Fund’s actuary to complete the 2022 valuation and implement revised employer contributions from 1 April 2023
- Further expansion of our customer base to bring in more LGPS funds/ Fire authorities.

These, and other priorities for the next five years, are articulated in more detail in the later sections of this business plan, split into three sections: governance; funding and investments; administration and communications.

Budget

All the costs associated with the management of the Fund are charged to the Fund and shared service partners, not to City of Bradford MDC. The budget does not include costs which are recharged to the participating employers, which relate directly to an employer request such as year-end pensions accounting or actuarial calculations on commencement or termination of participation in the Fund.

The expected operational budget for the Fund is provided in an appendix to this Plan. This excludes any costs which are expected to be re-charged to employers.

Delivering the Business Plan

Monitoring and Reporting

In order to identify whether we are meeting our business plan we will:

continue to monitor progress of the key priorities and the agreed budgets on a half yearly basis.

provide updates on progress against these key priorities on a regular (e.g. half-yearly) basis to the Joint Advisory Group which will be shared with the Pension Board, including

highlighting any areas where we are exceeding or failing to achieve our targets and

identifying the reasons and any changes to the planned priorities as a result

highlighting any significant additional spend or underspend in relation to the agreed budget.

Significant risks that may impact delivery of the Business Plan

The next few years will be challenging for those involved in the governance, management and operation of the Fund. The following are the key known risks which may impact on the delivery of this business plan. A number of these risks are of greater concern than usual due to the impact of Covid-19 which may continue throughout 2022/23 and perhaps longer term.

Recruitment and retention of staff – key person risk, competitor pay and location competing with B2C and other Pensions staff in Leeds.

Increased work for administrators due to the McCloud remedy and Pensions Dashboard solution impacting on the service to scheme members and employers.

Lack of employer engagement which could impact on plans to improve data and the implementation of the Employer Self Service on-line functionality.

Employers unable to afford employer contributions including due to reduction in strength of employer covenant.

Data or asset loss due to a cyber incident or partner failure

Service interruption due to failure of business continuity plans

Failure to meet investment objectives due to market volatility or other external factors.

Inability to pay pension benefits due to insufficient liquid assets.

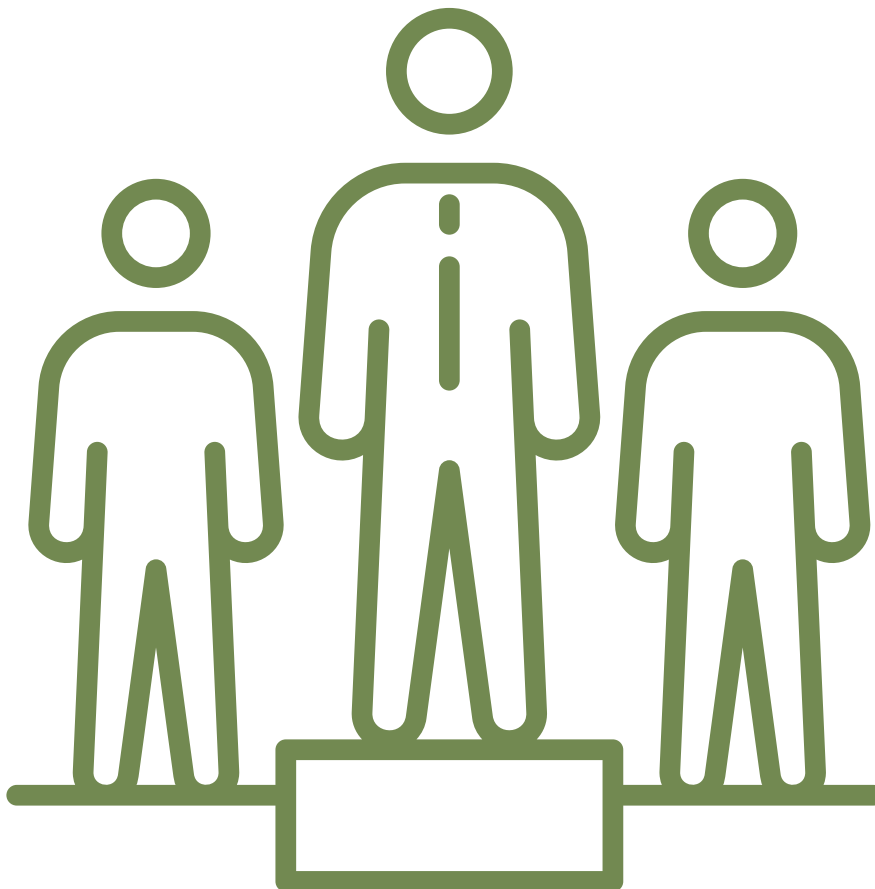
Changes to national requirements in relation to pooling leading to required changes to the Northern Pool structure or approach which affect achievement of our investment objectives, including affecting cost and resources.

Business as usual

The appendix to this business plan highlights our key priorities for the next five years. This focusses on areas of change and projects which are in addition to day to day “business as usual” activities.

On a day to day basis our focus is on the following key elements of Fund management:

- Paying pension benefits to all our beneficiaries, as prescribed by the LGPS regulations
- Communicating with our scheme members about their membership of the Fund
- Ensuring we receive all the pension contributions paid by active members of the Fund, as prescribed by the LGPS regulations
- Ensuring all the employers in the Fund pay their pension contributions
- Safeguarding the Fund’s assets
- Investing any Fund assets that are not currently needed to pay benefits
- Working with the actuary so, every three years, they determine how much employers need to pay into the Fund to ensure we have enough money to pay pension benefits in the future.
- Understanding the continuing pressure on resources and budgets for employers and the administering authority.
- Providing regular training, guidance and support to employers so that the Fund receives timely and accurate information.
- Managing the Fund on a day-to-day basis involves a wide range of processes and procedures designed around achieving WYPF’s objectives as outlined in our strategies and policies.
- The management of the Fund is significant, complex and highly regulated. As such, these processes and procedures require expert knowledge and experience from both officers and external advisors in several diverse areas as set out below.





Governance

Ensuring decisions relating to the management of the Fund are made in accordance with appropriately delegated responsibilities

Setting the agenda, reporting and presenting to the G&A Committee, JAG, IAP and Local Pension Board, ensuring those bodies carry out their delegated, advisory and scrutiny functions

Implementing and monitoring other governance areas such as knowledge and skills/ training, conflicts of interest, risk management, breaches and adhering to The Pension Regulator’s Code of Practice

Ensuring the Fund’s business plan is regularly updated, agreed and delivered

Ensuring we adhere to Council and legal requirements for procurement, health and safety and data protection

Procurement of and payment for, advisers and other services

Assisting internal and external audit in their role

Replying to Freedom of Information requests

Ensuring business continuity arrangements are in place and regularly tested

Managing the risk of cybercrime and ensuring our data and systems are safeguarded.



Funding

Agreeing the funding strategy with the actuary every three years, consulting with employers and monitoring continued appropriateness annually
Assisting the actuary with the triennial Actuarial Valuation by providing membership and valuation data and presenting results and explanations to employers of future employer contributions and deficit payments

Providing data or other information as required by the Government Actuary’s Department (“GAD”)

Monitoring the employers’ funding positions and covenants including their ability to pay contributions and managing any employers who wish to join or leave the Fund



Investment

Carrying out a fundamental review of the investment strategy every three years

Quarterly monitoring and reporting on investment performance

Monthly monitoring and reporting on the Fund’s funding position and implementation of our cash and risk management strategy

Working with other LGPS funds in the Northern Pool to pool investments, including assessing, appointing, monitoring and dismissing any external managers.

Monthly monitoring and implementation of the tactical asset allocation decisions

Ensuring costs are fully disclosed in line with the Cost Transparency initiative

Developing and monitoring the Fund’s approach to Responsible Investment.



Accountancy

Preparing and publishing the Fund's Annual Report

Completing the Annual Accounts and assisting external auditors

Preparing and quarterly monitoring of the Annual Budget

Preparation of statutory and non-statutory returns as required

Monthly bank reconciliations

Quarterly cash flow and treasury management

Monthly monitoring of income and expenditure including employer and scheme member contributions

Quarterly invoicing of employers for pensions strain and added years.

Provision of information on a monthly basis to the Fund's Actuary to support the tracking of assets notionally allocated to the Fund's employers

Overseeing the monthly employer returns



Administration

Providing ongoing information to scheme members and their beneficiaries as they join, leave or change their status in the Fund

Calculating and notification of entitlement to pension and death benefits

Providing quotations of retirement benefits including any additional costs to employers

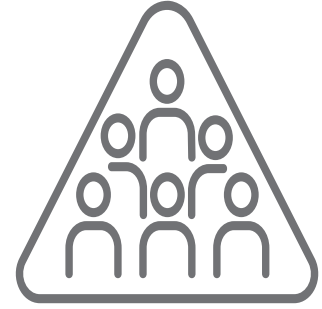
Providing information on how scheme members can increase their pension benefits

Maintaining scheme member records

Providing a scheme members' help line for ad-hoc enquiries

Providing notifications regarding new starters, personal/employment changes and leavers/retirements

Processing bulk updates to data such as annual pensions increases



Payroll

Calculating and paying monthly pensions to all pensioners and beneficiaries

Issuing payslips (where net pay has changed)

Issuing P60s

Investigating returned payments and dealing with any under or overpayment of pensions

Updating and maintaining accuracy of pensioner member details

Ensuring pensions are paid



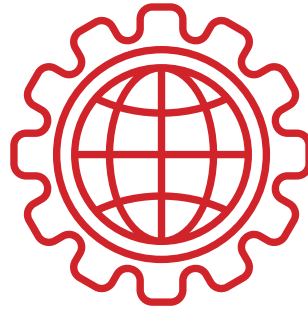
Communication, Projects and IT

Providing Annual Benefit Statements to all active and deferred scheme members

Providing information to members via the appropriate channel e.g. one to ones, workshops and newsletters

Improving the way users can navigate through complex information as well as looking beyond the above to other ways to access content
Enhancing the Fund's website and members' self-service facility to offer a more personalised experience for users

Maintaining and updating the pensions software system, including developing reporting to provide information on progress against key performance indicators and daily work management



Technical

Providing guidance on changes in processes following legislation updates

Providing reports and extracts for the Fund Actuary and GAD Reporting and making payments to HMRC

Reviewing AVC providers and funds offered to members
Administering the Fund's Internal Dispute Resolution Procedure
Manage employers' admission agreements



Employer Liaison Team

Undertake response to outstanding requests for information to cleanse the pension records

Providing information to the Fund's actuary as required for new alternative delivery models for employer services

Undertake work as necessary to clear outstanding year-end or other data queries.

Running an Annual Meeting for employers and members'.

Providing ongoing training and technical updates to employers

Provide new employers with information about their Fund responsibilities

WHAT NEXT

Business plan priorities

The following are the expected key priorities for the Fund for the period 2022 to 2027 so that the objectives of the Fund are achieved. This excludes ongoing business as usual items that take place annually or more frequently. Further explanations of these key priorities are included in Appendix A to this business plan.

Many of the timescales are estimated due to reliance on external bodies, such as Government. As a result, these timescales may change. These are shown with an asterisk (*).

KEY ACTION/TASK	2023/24	2024/25	2025/26	2026/27	2027/28
G1. Review of constitution, committees, delegations	✓				
G2. New members on Governance and Audit Committee, Joint Advisory Group, Investment Advisory Panel and Pension Board	✓				
G3. Review Knowledge and Skills policy/delivery in light of updated CIPFA K&S requirements	✓				
G4. Review cybercrime risk to Fund	✓	✓			
G5. Business Continuity	✓				
G6. Succession Planning	✓	✓	✓	✓	
G7. Review and implementation of other governance related policies and strategies	✓	✓	✓	✓	
G8. Assess the carbon footprint of WYPF portfolio	✓	✓	✓	✓	
G9. Review of risk register	✓				
G10. Review against new TPR General Code	✓	✓		✓	
G11. Implement changes from Scheme Advisory Board good governance review	✓	✓			
G12. Governance review	✓				
G13. Procurement/Tenders	✓	✓	✓	✓	
G14. Diversity, equality and Inclusion					
G15. Employer Engagement					

Key Action/Task	2023/24	2024/25	2025/26	2026/27	2027/28
F1. Investment Strategy review / implementation	✓	✓	✓	✓	
F2. Develop improved cash flow monitoring					
F3. 2022 actuarial valuation and review of funding strategy					
F4. TCFD Reporting					
F5. Investment performance reporting and other best practice from Regulator's Code of Practice	✓				
F6. Review requirements for cost transparency collation/reporting	✓				
F7. GAD Section 13 valuation results/ engagement		✓			
F8. Other expected national changes in investment including responsible investment, asset pooling guidance and TCFD*	✓	✓			
F9. Cost Management*	✓	✓			
F10. Valuation cycle changes and HE/ FE Employers*			✓		
F11. Development of unitisation and data validation	✓				

Key Action/Task	2023/24	2024/25	2025/26	2026/27	2027/28
Administration and Communications					
A1. Implement McCloud/Sargeant/Matthews remedy	✓	✓			
A2. Pension Scams	✓	✓			
A3. Succession planning	✓	✓			
A4. Implement employer self-service on-line functionality to all employers including updating employer guide	✓				
A5. Omni-channel self-service	✓	✓			
A6. Data improvement plans / policy	✓				
A7. Trivial Commutation	✓				
A8. Other expected legislation changes including Exit cap and Goodwin and Fair deal	✓				
A9. Frozen refunds					
A10. Robotics, Automation, Analytics	✓	✓			
A11. Review support for high earners and pensions tax policies	✓	✓			
A12. Transition to SQL	✓	✓	✓		
A13. GMP Reconciliation	✓	✓			
A14. Implement changes required for national pensions dashboard(s)	✓*	✓*			

Key Action/Task	2023/24	2024/25	2025/26	2026/27	2027/28
A15. Implement changes to meet GMP equalisation requirements	√*	√*			
A16. The Pensions Regulator's new Code of Practice module – Maintenance of IT systems	√				

Key Action/Task	2023/24	2024/25	2025/26	2026/27	2027/28
Supplier and contractor reviews and tenders					
Administration software		√			
Custodian					
Actuarial, benefits and governance consultant					
Investment adviser	√				
AVC fund review					
AVC provider review	√	√			
Legal services – based on requirements					
Banking services					



WYPF Management Team



Leandros Kalisperas
Chief Investment Officer



Euan Miller
Managing Director



Yunus Gajra
Assistant Director
Finance, Administration
and Governance



Colin Standish
Assistant Director
Overseas Investments



Joanna Wilkinson
Assistant Director
UK Investments



Simon Edwards
Assistant Director
Alternative Investments

This page is intentionally left blank

Appendix A - Explanation of business plan key tasks and actions

Information relating to key priorities

Work scheduled for 2023/24 to 2027/28 will be included in the relevant budgets for those years.

Governance key priorities

Key Action/Task	2022/23	2023/24				2024/25	2025/26	2026/27
		Q1	Q2	Q3	Q4			
G1. Review of constitution, committees, delegations		✓	✓					
G2. New members on Governance and Audit Committee, Joint Advisory Group, Investment Advisory Panel and Pension Board			✓					
G3. Review Knowledge and Skills policy/delivery in light of updated CIPFA K&S requirements		✓	✓					
G4. Review cybercrime risk to Fund			✓			✓		
G5. Business Continuity			✓	✓				
G6. Succession Planning			✓	✓	✓	✓	✓	✓
G7. Review and implementation of other governance related policies and strategies			✓	✓	✓	✓	✓	✓
G8. Assess the carbon footprint of WYPF Portfolio			✓			✓	✓	✓
G9. Review/development of risk register			✓					
G10. Review against new TPR Single Modular Code			✓			✓		✓
G11. Implement changes from Scheme Advisory Board good governance review				✓		✓		
G12. Procurement/Tenders			✓			✓	✓	✓
G13. Diversity, equality and Inclusion			✓	✓	✓	✓	✓	✓
G14. Employer Engagement		✓	✓	✓	✓	✓	✓	✓

G1. Review of constitution, committees, delegations

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
	✓	✓					

It has been recognised that the WYPF structure, constitutions and delegations all need to be reviewed and clearly defined. For example the Terms of Reference could be clearer or more prescriptive in a number of areas. It may be appropriate for an appendix to be added to the constitution to list delegations in order to better manage the Fund.

This is expected to start in January 2023.

In addition a wider WYPF governance review will be carried out during the first half of 2023.

It is expected that these tasks can be managed out of the existing budget and with no additional resource

G2. New members on Governance and Audit Committee Joint Advisory Group, Investment Advisory Panel and Pension Board

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓					

There are some changes expected to the JAG, IAP and Governance and Audit Committee in 2023 due to a third of Councillors being up for re-election.

Any new members will need to be “onboarded” and provided with sufficient training and access to required information. WYPF is aware of the requirement in TPR’s draft new code of practice that new members undertake required training to carry out the role as soon as possible and within 6 months of appointment.

The Pension Board membership is due to be reviewed / renewed in 2023/24 and this will be an area covered by the Governance Review

G3. Review Knowledge and Skills policy / delivery in light of updated CIPFA K&S requirements

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
	✓	✓					

In the Summer of 2021 CIPFA released its updated Knowledge and Skills framework and Code of Practice. The current training policy will be reviewed and updated to be in line with the new CIPFA framework and Code. The policy should also ensure it is appropriate for any new members appointed following the 2023 local elections.

Those involved in managing WYPF will undergo a knowledge and skills assessment based on the CIPFA competencies to inform training plans for future years – this will include who has done what training, including any skills training.

The policy relating to Pension Board members (who have legal requirements in relation to obtaining the required knowledge) will be extended to JAG and IAP members – in anticipation of new requirements in this area from the Good Governance review (expected in 2023)

It is expected that these tasks can be managed out of the existing budget and with no additional resource requirements. If external support is needed to develop the policy and/or training needs assessment and maintain a log of training activity, we estimate that the cost be anywhere between £5k and £25k plus VAT depending on what support is needed.

G4. Review cybercrime risk to Fund

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
	✓	✓			✓		

Cyber risk is considered a key risk to the Fund. In line with the Pensions Regulator's requirements, work will be carried out to better understand how that risk is being managed in relation to the Fund's member data, assets and other procedures.

WYPF will follow the Aon Seek, Shield, Solve, Review framework for developing Cyber resilience. This involves assessing the risks and how significant they are to allow prioritisation of activities to mitigate risks. We will ask our system providers and suppliers, including City of Bradford Metropolitan District Council to provide further information in relation to how they are managing cyber risk. After this initial work has been completed, a process will be put in place to ensure that ongoing checks are carried out.

Fund officers will review the areas for improvement identified by the Aon LGPS Cyber Scorecard – including a data and asset mapping exercise to identify and prioritise risks, establishing fund specific cyber incident response plans and cyber policy and cyber hygiene / roles and responsibilities document.

It is noted that the team are changing operating platforms (Windows to Linux) which could result in greater Cyber risk. WYPF officers will need to engage with Civica as regards their solutions for managing cyber risk, in particular in relation to Pensions Dashboards as that project develops.

WYPF will also need to consider how the required assurance in relation to cyber risk can be provided to other funds/schemes to which we provide third party administration services.

We also note that Regulator recognises that funds may need to access specialist advice in some areas (such as in assessments of providers) and we will investigate what support may be available through City of Bradford MDC or through external advisers.

Our budget includes an allowance of £50k per annum in the short term to improve our cyber resilience. We will also allocate dedicated resource of suitable seniority to take ownership of our cyber related activities.

G5. Business Continuity

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
	✓	✓					

The Pension Regulator's draft Code of Practice which is expected to be published in 2023 includes a "best practice" module on Business Continuity.

Based on the expectations of the module, WYPF should have a fund specific resilient Business Continuity Plan which "sets out key actions in case of a range of events occur that impact the scheme's operations" and sets out key roles and responsibilities, including with any service providers.

The Assistant Director (Finance, Administration and Governance) will work with the senior managers to develop and maintain a plan which allows for potential changes to home / hybrid working, and dependencies including staff, systems and hardware, buildings and processes.

This work will be carried out using existing resource and budget.

G6. Succession Planning

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓	✓	✓	✓	✓	✓

There are a number of key individuals in the WYPF Management Team who will be retiring in the next five years, in both the investment, and member services teams.

A comprehensive plan for the recruitment of new individuals and/ or providing sufficient mentoring, training and shadowing to those individuals who will take on the roles will be needed to avoid the consequences of the loss of the significant levels of experience and knowledge of those individuals.

The succession plan should be set out and agreed internally in 2022/23 and implemented in relation to the relevant individuals in each of the following 4 years.

This should not involve any additional budget or resource, but to recruit and develop the required replacements may incur some additional costs, so this will be kept under review.

G7. Review and implementation of other governance related policies and strategies

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓	✓	✓	✓	✓	✓

- The Fund has several policies focusing on governance, all of which are subject to regular review, usually at least every three years. The policies due to be reviewed are:
- FSS – Triennial in line with the actuarial valuation cycle unless regulatory change requires sooner
- Communications - annual
- Administration - annual
- Conflicts of Interest Policy – annual
- Governance Policy and Compliance Statement – annual. These will be updated following completion of the 2023 Governance Review. In addition, the Good Governance review carried out by SAB will (when implemented) likely require changes to the statement.
- Discretions – A large (4 year) project to contact all employers to obtain their policies or set the Fund policy for the employer commenced in 2022. This includes the review of the Fund's policy and this action applies to all funds WYPF carry out services for.
- WYPF may also implement additional voluntary policies in line with best practice, such as data improvement, voluntary scheme pays, cyber risk management.
- In future JAG meetings the business planning will be reviewed at each meeting although only the changes will be brought to the JAG to consider.
- It is expected this work will be carried out using existing team resources with support from the Fund Actuary and advisor to the Governance Review as required.

G8. Assess the carbon footprint of WYPF

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓			✓	✓	✓
<ul style="list-style-type: none"> WYPF as an organisation needs to set out its ambitious plans to reduce its carbon footprint and help support the action against climate change, then implement the plans and report against them. This will include the policy on energy usage, office space, printing in the office and for member communications, and how developments will be monitored and performance against any targets reported. This work will include the detail under Scope 1, Scope 2, and Scope 3 in relation to delivering services. This project will be managed within the existing WYPF team and budget. 							

G9. Review/development of risk register

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓					
<p>The review will consider the following possible developments:</p> <ul style="list-style-type: none"> Adding / combining employer and funding risk Combining administration related and investment related registers Review of the level of detail provided in the reporting for the JAG, IAP and PB; we will consider whether the risk register reporting could be more focused and hence effective <p>This will be owned by the Assistant Director (Finance, Administration and Governance) – no additional resource or budget required.</p>							

G10. Review against new TPR Single Modular Code

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓			✓		✓
<ul style="list-style-type: none"> The Pensions Regulator (TPR) recently consulted on a new Single Modular Code which will merge 10 of the existing 15 codes the Regulator has in place, including Code of Practice No.14 (the relevant Code for Public Service Pension Schemes). This will result in some changes to the requirements placed on the Fund. Work will be undertaken to review whether the Fund complies with the requirements within the new Code when it is released. After the initial review, ongoing compliance checks will be carried out on a regular basis (e.g. every 2 years). Additional resource/budget may be required for the initial review against the new Code (including the best practice modules and recommendations) but the initial intention is carry out the review internally, but seek external assurance. 							

G11. Implement changes from Scheme Advisory Board good governance review

2022	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓		✓		

The Local Government Pension Scheme Advisory Board (SAB) recently completed a project focusing on all elements of good governance. A number of recommendations have been made including ensuring appropriate conflicts of interest management, knowledge and skills and having a designated LGPS lead officer in each administering authority. Further work is being carried out by SAB and formal recommendations have been made to the Department for Levelling Up, Housing and Communities (DLUHC). The Fund follows best practice so intends to implement the recommendations in advance of any regulatory change, noting that SAB has recommended that DLUHC issues statutory guidance including a requirement for each administering authority to report on how they are complying with the new guidance.

Other than set out elsewhere on this business plan, the following actions are required:

- Develop a Fund-wide conflicts of interest policy
- Review/implement a Fund policy on the representation of scheme members and non-administering authority employers on its committees, explaining its approach to voting rights for each party.
- Formalise/update the knowledge and skills requirements for JAG/IAP members and Officers including S151 as well as the Local Pension Board in a policy on how to meet the requirements
- Document a roles and responsibilities matrix
- Implement regular reporting against a set of required administration KPIs
- Committee and Senior Officer sign off of business plan including budget and resources
- Independent Governance Review (see below)

It is expected that any required actions will be implemented internally but the independent review of governance may require support from external providers. An estimated cost depending on the scope of the project is £20k - £50k.

G12. Procurement/Tenders

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓			✓	✓	✓

Several contracts are due to be retendered in the next 5 years covered by the business plan.

- A list of these is provided in the previous section (Business Plan key priorities)
- The procurement process will be managed within internal teams and with support from Bradford Council and no additional resource or budget is required to be set aside for these exercises.

G14. Diversity, Equity and Inclusion

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓					
<ul style="list-style-type: none"> Review engagement with stakeholders, communications, approach to recruitment, etc to ensure sufficient attention is given to diversity and inclusion. Ensure appropriately considered as part of review of the communication policy and reflected in all media, including the Fund's website. Initially this is expected to be managed within the existing team and with no additional budget. 							

G15. Employer Engagement

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
	✓	✓	✓	✓			
<ul style="list-style-type: none"> The WYPF management team would like to improve employer engagement and, in particular, attendance at the annual employer meeting. We will establish an initiative to develop virtual meetings and communication methods with employers to increase awareness and employers' understanding of the Fund's aims and requirements. This work may have some overlap with the review and updating of the Fund Communications Strategy, and the development of the Administration Guide and Factsheets and E-learning packages, along with the workshops and training and development of the employer website, which are currently on the WYPF Service Plan. It is not expected that this work will require additional resource requirements or budget for external support. 							

Funding and investment key priorities

Key Action/Task	2022/23	2023/24				2024/25	2025/26	2026/27
		Q1	Q2	Q3	Q4			
F1. Investment Strategy review / implementation	✓	✓	✓	✓	✓	✓	✓	✓
F2. Develop improved cash flow monitoring	✓		✓					
F3. 2025 actuarial valuation and review of funding strategy							✓	
F4. TCFD Reporting and climate change	✓	✓						
F5. Investment performance reporting and other best practice from Regulator's Code of Practice	✓	✓						
F6. Review requirements for cost transparency collation/reporting	✓	✓						
F7. GAD Section 13 valuation results/ engagement	✓	✓				✓		
F8. Other expected national changes in investment including responsible investment and pooling guidance*	✓	✓				✓		
F9.. Development of unitisation and data validation	✓	✓						

F1. Investment Strategy review / implementation

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
✓	✓				✓	✓	✓

- SAA review is ongoing following the 2022 valuation with proposals going to IAP in July 23 (and possible follow up in October 23) with a view to updating the allocation and benchmarking tables to be incorporated into an updated Investment Strategy Statement
- Impacts on requirements for investment office organisation will flow from SAA Review
- The upcoming governance review in H2 will further consider additional matters that are relevant to investment governance including delegation of powers

F2. Develop improved cashflow monitoring

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓	✓			

- A review of how cashflow monitoring is carried out is being undertaken to ensure this is robust, and ongoing monitoring is integrated into day to day business and links in with the Treasury Management Policy.
 - This may include how investment team monitors income yields from the Fund's investments.
 - The change in investment approach mentioned in F1 will result in less dividend income so it will be important to check the impact on cashflow.
 - We will also allow for an updated projection of expected future benefit payments to be provided by the Actuary following the 2022 valuation.
- This review is expected to be carried out within the existing teams and without the need for additional budget or resources. The cost of any additional support from the Actuary will depend on our precise needs but is expected to be of the order of £3K-£10K.

F3. 2025 actuarial valuation and review of funding strategy

2022/23 Period	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
						✓	

A formal actuarial valuation of the Fund detailing the solvency position and other financial metrics must be carried out as at 31st March 2025. It is a legal requirement of the LGPS Regulations. It determines the contribution rates payable by the employers to fund the cost of benefits and make good any existing shortfalls as set out in the Funding Strategy Statement.

This is considered in conjunction with the strength of covenant for each employer participating in the Fund. The deadline for completion of the work is 31 March 2026.

Reviews of the Funding Strategy Statement may also be required outside of the actuarial valuation cycle; for example in order to make changes to the methodology for calculating exit payments/credits when employers exit the fund, or to reflect regulatory changes.

F4. TCFD Reporting

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			

Task Force for Climate-related Financial Disclosures (TCFD)

In January 2021 DWP launched a consultation on draft regulations requiring occupational pension schemes to implement improved governance and reporting relating to climate change as recommended by TCFD. Those new regulations will not apply to the LGPS but MHCLG consulted in autumn 2022 on the implementation of TCFD-aligned disclosures within the LGPS.

Once LGPS regulations are guidance are implemented there will be some initial work to make sure existing WYPF reporting is in line with the requirements and from that point the work will become Business – as – usual.

It is not expected that this will require additional resources or budget to implement.

F5. Investment performance reporting – and other best practice from the Regulator’s Code of Practice

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
✓	✓						

The Regulator’s new draft Code of Practice has a number of best practice modules which public sector schemes such as the LGPS are encouraged to follow. This includes a module on Investment monitoring. It is expected that the WYPF is already compliant with the majority of the recommendations but a review against the Regulator’s suggestions will be carried out when the new Code is published.

The review of compliance will consider content within the following best practice investment - related modules:

- Investment governance
- Investment monitoring
- Climate change
- Investment Strategy Statement

The “best practice” compliance review will be carried out by the existing investment team – no additional resource or budget required.

F6. Review requirements for cost transparency collation/reporting

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
✓	✓						

WYPF is not FCA regulated but is looking to broadly follow the requirements of MiFID II and the SAB Code of Transparency and new standardised disclosure template. The information and data provided should be ‘fair, clear and not misleading’ and there is now an online system put in place by SAB for submission of the information, including a check against the MiFID II total cost.

In the first year this is considered to be not Business as Usual (BAU) but in following years it should become BAU. One particular challenge is the benchmarking and reporting around private equity though this is largely resolved, and “best execution costs” are not currently reported, and the team will consider whether to do this as best practice, given the additional costs which may be incurred.

It is not currently expected that this work will result in additional budget requirements or resources.

F7. GAD Section 13 valuation results/ engagement

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
					✓		

Section 13 of the Public Service Pensions Act requires the Government Actuary to report on compliance, consistency, solvency and long-term cost efficiency in respect of the actuarial valuation of the LGPS as a whole. This is based on the individual actuarial valuations and data provided by each LGPS fund and their actuary. The review considers some key metrics to identify potential issues in relation to compliance, consistency, solvency and long-term cost efficiency and a short report will be provided to each LGPS fund and made publicly available which will highlight any concerns.

Based on the report issued in December 2021 report there is no expected action as a result of the review of the 2019 valuation, but there will be another exercise within the next 5 years for the 2022 valuation review.

It is not expected that this will result in additional budget or resource requirements, albeit there may be some of the Fund Actuary’s time to support the officers in any liaison and responses to GAD as well as to amend the Dashboard part of the 2022 valuation report, if required.

F8. Other expected national changes in investment including responsible investment and asset pooling guidance

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓			✓		

Responsible investment guidance

- The LGPS SAB has been developing Responsible Investment Guidance which is expected to include:
- guidance to assist and help investment decision makers to identify the parameters of operation within scheme regulations, statutory guidance, fiduciary duty and the general public law and the scope for integrating ESG policies as part of investment strategy statements and
 - a toolkit they can use to further integrate ESG policies as part of their investment strategy.

A consultation on TCFD reporting was issued by DLUHC in Autumn 2022, but final regulations and guidance are yet to be issued.

Asset pooling guidance

MHCLG (now DLUHC) undertook an informal consultation on new asset pooling guidance during early 2019 and confirmed its intention to carry out a formal consultation in due course. The actual timing of this consultation is not known.

WYPF will be working with our partners in Northern LGPS as appropriate to implement any required changes. At the time of writing it is not expected that there will need to be significant levels of additional resource or budget to deal with any changes.

F11. Development of unitisation and data validation

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
✓	✓						

WYPF has a unitisation system (run by Aon) to track individual employer notional asset values on a monthly basis.

The Fund Actuary is currently providing the officers with advice regarding the incorporation of Ill - health and Death -in -service spouses benefit pooling on a monthly basis for the officers to consider.

In conjunction with the Actuary we will consider the approach used to check the transaction data and member data to determine if they are consistent – for example, more regular than annual checks may be required.

If more regular checks are implemented or any additional functionality is required, there would be no internal additional resourcing requirements but there may be additional actuarial costs depending on what is required/agreed.

Administration key priorities

Key Action/Task	2022/23	2023/ 24				2024/ 25	2025/ 26	2026/ 27
		Q1	Q2	Q3	Q4			
A1. Implement McCloud / Sargeant remedy				✓				
A2. Scams		✓	✓	✓	✓	✓		
A3. Implement employer self-service on-line functionality to all employers including updating employer guide			✓					
A4. Omni-channel self-service				✓	✓	✓		
A5. Data improvement plans / policy			✓					
A6. Trivial Commutation				✓				
A7. Other expected legislation changes including Exit cap and Goodwin, Fair deal and Tax changes				✓				
A8. Frozen refunds				✓				
A9. Robotics, Automation, Analytics						✓		
A10. Oracle transition to SQL			✓	✓		✓		
A11. GMP Reconciliation				✓		✓		
A12. Implement changes required for national pensions dashboard(s)				✓		✓		
A13. Implement changes to meet GMP equalisation requirements				✓		✓		

A1. Implement McCloud / Sargeant remedy

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓				

Court of Appeal judgements (McCloud and Sargeant) in 2018 found that transitional provisions in the CARE schemes for Firefighters and Judges in April 2015 gave rise to unlawful age discrimination. This impacts the LGPS as the new CARE scheme from April 2014 included a statutory underpin for older members. Remedies are being worked through by Government to remove the inequality in the schemes, which will result in changes to scheme benefits some of which will be retrospective.

A consultation on the Local Government Pension Scheme remedy took place in July 2020 and WYPF has established a project team to identify the affected members so their benefits can be amended once regulations are laid. Whilst it is a major exercise for many funds to gather updated employment (including part time hours) information from employers dating back to 2014, WYPF is well positioned as we continued to . This work has been allowed for in the 2022/23 budget (see Appendix B) but it is possible that additional resource and budget may be required depending on the final outcome of the consultation and regulations, including whether an additional team is required to carry out the rectification work and how much can be delivered through the administration system.

Changes for the Fire scheme are potentially more material given members are to be given the choice over what scheme will apply over the remedy period and we are already dealing with any immediate detriment cases. A project team has been set up to manage the changes for the Fire authorities we administer.

A2. Scams

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
	✓	✓	✓	✓	✓		

WYPF will update transfer value processes in line with new Pensions Act 2021 legislation allowing administering authorities to protect member interests by blocking transfers if they do not meet required criteria, i.e. suggesting the receiving scheme may be a scam arrangement.

WYPF will also follow the Pension Scams Industry Group’s Code of Practice and guidance from the Regulator which is kept up to date on their website.

WYPF will also sign up to the pension scams pledge.

Processes will need to be kept under constant review to ensure they meet the various requirements as they evolve to combat new scamming techniques. It is not expected that this will require an additional budget.

A3. Implement employer self-service on-line functionality to all employers including updating employer guide

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓					

WYPF has been working on new on-line functionality for all employers participating in the Fund. This will ultimately require all employers to upload pension information on a monthly basis to the Fund’s on-line employer self-service facility to ensure the Fund's pension records are up to date. As well as improving the integrity of the Fund's data, this will introduce increased efficiencies for all parties.

As a result of employer self-service being rolled out, the existing employer guide will also be updated to reflect the new requirement to provide data via this portal and a review will be undertaken of employer processes and forms.

WYPF is currently looking to move to a new version of the software which can better manage online submission of forms as currently around half of the forms are still submitted outside of the online self service approach. The new system will include functionality which moves data straight from these systems onto member records without individual staff member intervention, reducing the risk of errors.

This project is in its latter stages so is expected to be completed in 2022/3.

A4. Omni-channel member self-service on-line functionality

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓	✓	✓		

Online member self-service does currently exist, but it needs development to optimise the member experience – for example members cannot currently carry out any calculations online, but some functionality is being tested i.e. retirement calculations. Once this is established then other calculations will be brought onto the system.

There will be an exercise to target new employees to attract new members to the system and encourage them to keep the details up to date.

There are no plans to remove current calculation approaches i.e. for the final retirement calculations within the next 5 years.

It is intended to bring the online system in house, allowing WYPF to be platform neutral i.e. it can implement the best in class software at any point or change suppliers without this affecting clients or scheme members. This will be costed and agreed prior to work commencing.

A5. Data improvement plan/procedures

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
		✓					

The Pensions Regulator expects all pension funds to assess the quality of their data and put in place a data improvement plan where there are errors or omissions, or where processes could be improved.

WYPF has several informal data improvement plans relating to individual projects, including Pension Dashboards, and these will be brought together in one data improvement plan which includes:

- any actions to improve common and scheme – specific data
- any projects to improve data omissions i.e. tracing exercises
- any projects to reduce any backlogs or remove small liabilities from the fund i.e. trivial commutation
- projects required by Regulations / other legislation i.e. McCloud rectification, GMP reconciliation
- any actions to improve member experience i.e. based on complaints and breaches

This action includes drafting a high level data improvement policy to set out the objectives of data improvement activities and how they will be prioritised and managed, and how progress will be monitored and reported.

The policy and high level plan will be included in an Appendix to the Administration Strategy

It is expected that this will not require additional resource. Budget will be required for character recognition software.

A6. Carry out trivial commutation / small pots options exercise

2022/23 Period	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓				

Trivial commutation is where a member who is entitled to a small pension can elect to give up the entirety of that pension and instead receive their benefit as a single lump sum payment. A project will be carried out to identify any pensioners and dependants who may be eligible for trivial commutation and to offer it to them. This will reduce the administrative burden on the Fund paying a large number of very small pensions over a number of years as well as providing greater clarity from a funding perspective. The government has a limit for members to trivially commute their pension in relation to a single pension (£10,000 value – called a "small pot") and total benefits (£30,000 – called "trivial commutation").

As well as reducing the number of pensioner payments that require ongoing payment this could also reduce the fund's liabilities. It will also be welcomed by a number of pensioners who would prefer a one-off lump sum payment rather than ongoing smaller payments of little value.

The WYPF team already offer this option to members but will continue to carry out trivial commutation projects over the next 5 years. This will also involve a review of existing procedures to ensure that trivial commutation is offered in appropriate cases. No additional resource or budget will be required.

A7. Other expected legislation changes including Exit cap and Goodwin, Fair deal and Tax changes

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓				

£95k Exit Cap and Wider Reforms

Changes were introduced in November 2020 that capped total exit payments for individuals leaving public sector employment including pension fund strain costs. In February 2021 the regulations were revoked and we expect an amended proposal during 2022. MHCLG also consulted on wider reform provisions in 2020 that could materially impact the type and amount of benefits paid to employees on early termination; if implemented, these impact on both payments made by employers as well as benefits paid from the Fund.

Goodwin

In 2020 the Government settled a legal challenge relating to the Teachers' Pension Scheme from a male survivor of a female member, complaining that he would receive lower benefits than a survivor of a same-sex marriage/partnership. It has been accepted that this decision will also affect other public sector schemes and we await guidance from DLUHC on the required changes to the Local Government Pension Scheme regulations.

Fair deal

In May 2016 MHCLG proposed that the New Fair Deal be extended to the LGPS. This would mean that any staff being outsourced would remain in the LGPS and their 'new' employer would gain admission body status, without the option of being able to offer a pension scheme that is broadly comparable to LGPS.

On 10 January 2019 a consultation document was published by MHCLG confirming the 2016 proposal and removal of the option of a broadly comparable scheme. Within the 2019 consultation, there were also proposals about automatically transferring LGPS assets and liabilities when scheme employers are involved in a merger or takeover. This consultation closed on 4 April 2019. Final regulations are still to be made.

When the regulations are amended there will be some work required to implement the various changes required and there may also be some work required to respond to any new consultations. It is not expected that any additional resource or budget will be required for these activities.

A8. Carry out frozen refund clearance exercise

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			

			✓				
--	--	--	---	--	--	--	--

Members who leave the scheme without meeting the 'vesting period' (the minimum period to qualify for benefits) are only entitled to a refund of their own contributions. Since 1 April 2014 the regulations have required that this must be paid within five years of the member leaving the scheme, but before that many members did not claim their refunds in case they rejoined the scheme in the future and could then count that service.

This has meant that the Fund has built up a number of "frozen refunds" i.e. refunds that have not yet been claimed. WYPF has carried out a review of these cases and is in the process of paying as many as possible. This will help the Fund meet legal requirements that all benefits must be paid before the member's 75th birthday and will also reduce the Fund's liabilities.

This is being resourced through existing teams and with no additional budget required.

A9. Robotics, Automation, Analytics

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			

		✓	✓	✓	✓		
--	--	---	---	---	---	--	--

- Advanced process engineering - we will deploy automation into both administration and finance processes in an Agile way driving down the number of administration and finance tasks that need human intervention, alleviating cost and error. The simplest tasks will be automated first, then move up in complexity as we learn. In this way software will be released early in order to benefit the organisation early.
- Robotics – we have identified a test process for robotics software to be deployed that complements our automation programme. We will also test intelligent character recognition robotics that can scan pages for words and phrases to aid our data quality programme.
- Analytics – data analytics will be used to further develop our advancing online and client Management Information needs.

A10. Transition from Oracle to SQL

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
					✓	✓	

All LG Pensions Administration Software systems now run from SQL. WYPF’s technology teams need to convert our administration operation to SQL by Jan 2026. This is a significant piece of work and there will be implications for resourcing, reprogramming, training and licences as well as procurement etc. Costs and resources yet to be identified for this, although work has commenced.

A11. Finalise GMP reconciliation exercise

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓		✓		

Prior to the removal of “contracted-out” status in April 2016, pension schemes including the LGPS had to ensure the benefits they paid met a minimum level, one element of which was a Guaranteed Minimum Pension (GMP) figure that accrued individually for each scheme member up to April 1997. Following the end of contracting out HMRC is no longer maintaining GMP and other contracting out member records so individual pension schemes to ensure that the contracting out and GMP data they hold matches that held by HMRC.

The WYPF data has been extracted from HMRC ahead of the facility being discontinued, but there has not been any matching carried out to date. The high level stages and timescales in the project are as follows:

- Active members - Stage 1 (identify data mismatches) – Timescale TBC
- Active members - Stage 2 (finalise data reconciliation) – Timescale TBC
- Deferred and Pensioner reconciliation completion (all data reconciled) – Timescale TBC
- Stage 3 GMP Rectification – Timescale TBC

This reconciliation project will inevitably result in identifying some pensioners and dependents whose pension has been overpaid or underpaid (albeit some by very small amounts), some for several years, which will need to be rectified.

A12. Implement changes required for national pensions dashboard(s)

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓		✓		

Pension dashboards are a Government initiative first announced in the Budget 2016 with the legal framework contained in the Pension Schemes Act 2021. The idea is to allow pension savers in the UK access to view the values of all of their pension pots, including the state pension, through one central platform. Public service pension schemes are expected to go live between Autumn 2023 and September 2025 and we will consider what action is needed so the WYPF and the other schemes we administer are ready for implementation. This is a significant piece of work which will have significant ongoing impacts for both administration and technology.

A13. Implement changes to meet GMP equalisation requirements

2022/23	2023/24				2024/25	2025/26	2026/27
	Q1	Q2	Q3	Q4			
			✓		✓		

The courts determined that it was necessary to revisit pension benefits for scheme members who accrued a GMP to ensure equal treatment between men and women. In March 2021 the Government confirmed that the solution for LGPS funds was to apply full indexation on all GMP (i.e. all pension) for those members who reached state pension age after 5 April 2016. This has been implemented by WYPF but we are likely to have to revisit transfers-out over a number of years to ensure the correct amount was paid in respect of the GMP element – the solution to dealing with this group of affected members has not yet been confirmed. It is not expected that this work will require additional staff or budget.

Appendix B - Business Plan Budget

Operating Cost Budget 2022/23 to 2027/2028

WYPF total service	2021/22 OUTTURN PD13	2022/23 BUDGET	2022/23 FORECAST	2022/23 COST PER MBR PD8	2023/24 FORECAST YR1	2024/25 FORECAST YR2	2025/26 FORECAST YR3	2026/27 FORECAST YR4	2027/28 FORECAST YR5
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Accommodation	301	261	371	£1.17	371	375	378	382	386
Actuary	189	350	208	£0.66	301	304	307	310	313
CBMDC Support Services	459	463	559	£1.76	567	573	578	584	590
Computer	1,351	1,216	1,750	£5.52	1,893	1,912	1,931	1,950	1,970
Contingency - Invest to save	0	1,000	400	£1.26	750	758	765	773	780
Employees	8,160	10,604	10,010	£31.59	12,200	12,322	12,445	12,570	12,695
Other Running Costs	1,046	1,066	1,307	£4.12	1,100	1,111	1,122	1,133	1,145
Printing & stationery	373	299	396	£1.25	350	354	357	361	364
Transaction Costs	1,333	2,500	2,008	£6.34	2,500	2,525	2,550	2,576	2,602
WYPF TOTAL SERVICE EXPENDITURE	13,212	17,759	17,009	£53.67	20,032	20,232	20,435	20,639	20,845
Other Income	-214	-179	-258	-£0.81	-200	-202	-204	-206	-208
Shared Service Income	-2,543	-2,830	-3,073	-£9.69	-3,222	-3,254	-3,287	-3,320	-3,353
WYPF TOTAL SERVICE NET EXPENDITURE	10,455	14,750	13,678	£43.16	16,610	16,776	16,944	17,113	17,284
COST PER MEMBER		£47.58		-£4.42	51.01	51.52	51.01	50.51	50.02
MEMBER NUMBER		310,000		316,930	325,630	332,143	338,785	345,561	352,472

WYPF total service	2021/22 OUTTURN PD13	2022/23 BUDGET	2022/23 FORECAST PD08 NOV	2022/23 COST PER MBR PD8	2023/24 FORECAST YR1	2024/25 FORECAST YR2	2025/26 FORECAST YR3	2026/27 FORECAST YR4	2027/28 FORECAST YR5
	£000	£000	£000	£000	£000	£000	£000	£000	£000
01 PENSION ADMINISTRATION	4,225	5,250	5,440	£17.17	6,303	6,366	6,430	6,494	6,559
03 OVERSIGHT	699	1,004	826	£2.60	998	1,008	1,018	1,028	1,039
WYPF PENSION ADMIN & OVERSIGHT	4,924	6,254	6,266	£19.77	7,301	7,374	7,448	7,522	7,597
02 INVESTMENT MANAGEMENT	5,531	8,496	7,413	£23.39	9,308	9,401	9,495	9,590	9,686
TOTAL WYPF NET EXP	10,455	14,750	13,679	£43.16	16,609	16,775	16,943	17,112	17,283
COST PER MEMBER		£47.58		-£4.42	51.01	51.52	51.01	50.51	50.02
MEMBER NUMBER		310,000		316,930	325,630	332,143	338,785	345,561	352,472

Appendix C - Suggested 2023/24 Agenda items

Many of the timescales relating to agenda items are estimated due to reliance on external bodies, such as Government. As a result, these agenda items may be move to a later committee date. These are shown with an asterisk (*).

JAG Meetings

July 2023

Finance update

Governance policies review

Pensions Administration Report

LGPS update

IAP Meetings

July 2023

Governance Review

Business Plan

Risk Register

Resourcing and Recruitment

Pension Board Meetings

July 2023

McCloud

Pensions Dashboard

Cyber Security

LGPS update

Pensions Administration update

Training Plan

The Fund has a Knowledge and Skills Policy setting out the training requirements for and knowledge expected of senior officers, JAG, IAP and Governance and Audit Committee and Pension Board members.

Key areas of training identified for the JAG, IAP and Board members for the period covered by this business plan include:

Responsible Investment and any new TCFD requirements

The Pension Regulator's new Single Modular Code

The Scheme Advisory Board's work on Good Governance

Relevant topics relating to the implementation of the Fund's new Investment Strategy

Funding and actuarial valuation matters including relating to the (relatively) new employer flexibility provisions.

Appendix D – Communications plan

The aim of the Fund's communications strategy is to make sure that all stakeholders are engaged with and kept informed of developments within the Fund. We want to ensure transparency and an effective communication process will help to maintain the efficient running of the scheme. An outline communications plan for 2022 to 2023 is set out below.

Type of Communication	Scheme Member	Prospective Scheme Members	Employers	Press & FOI Requests	Central Government & the Pensions Regulator
Annual Benefit Statements	July-August				
Pension Savings Statements	September-October				
Annual Newsletter - Accounts	July-August		July-August		
Newsletters	Annual		Quarterly		
Individual Member Self-Service (on-line portal) MyPension	Development and increase take-up				
Website	As required	As required	As required		
Posters	As required		As required		
Scheme Guides and Factsheets	As required	Upon entry to the scheme	Upon entry to the scheme and as required – online access to administration guide		
Induction Sessions	Weekly	Weekly	As required		
Pre-Retirement Seminars	Quarterly		Quarterly		
Employer Forum			TBC		
Pensions Admin Strategy			TBC		
Report & Accounts	Annual Newsletter		November		October
Funding Strategy Statement			TBC		
Ad-Hoc Queries	Within set timescales	Within set timescales	Within set timescales	Within set timescales	Within set timescales
Pension Board	April - March	April - March	April- March		As Required
GMP Letters- Reconciliation	2023/24			As Required	As Required
McCloud communications	To be confirmed		As required		
Cost management changes	As required		As required		
Funding and contribution changes			October - March		As required
Satisfaction surveys	TBC		Annual		
E learning training packages			TBC		

Appendix E - Business Plan activities for client LGPS funds and Fire authority clients

Key Action/Task	2022/23	2023/24				2024/25	2025/26	2026/27
		Q1	Q2	Q3	Q4			
Governance								
G4. Review cybercrime risk			✓			✓		
G5. Business Continuity			✓	✓				
G8. Carbon footprint of organisation						✓	✓	✓
G10. Review against new TPR Single Modular Code			✓			✓		✓
G11. Implement changes from Scheme Advisory Board good governance review			✓			✓		
G13. Procurement/Tenders			✓			✓	✓	✓
G14. Diversity, equity and Inclusion				✓				
G15. Employer Engagement		✓	✓	✓	✓	✓	✓	✓

Key Action/Task	2022/23	2023/24				2024/25	2025/26	2026/27
		Q1	Q2	Q3	Q4			
Administration and Communications								
A1. Implement McCloud / Sargeant remedy		✓	✓					
A2. Scams		✓	✓	✓	✓	✓		
A3. Implement employer self-service on-line functionality to all employers including updating employer guide		✓	✓					
A4. Omni-channel self-service				✓	✓			
A5. Data improvement plan/procedures			✓					
A6. Carry out trivial commutation / small pots options exercise				✓				
A7. Other expected legislation changes including Exit cap and Goodwin and Fair deal				✓				
A8. Carry out frozen refund clearance exercise				✓				
A9. Robotics, Automation, Analytics		✓	✓	✓				
A10. Transition from Oracle to SQL						✓	✓	
A11. Finalise GMP reconciliation exercise				✓		✓		
A12. Implement changes required for national pensions dashboard(s)				✓		✓		



Report of the Managing Director of West Yorkshire Pension Fund to the meeting of West Yorkshire Pension the Joint Advisory Group to be held on 27 July 2023

D

Subject: Local Government Pension Scheme Regulations update

Summary statement:

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

EQUALITY & DIVERSITY:

Not Applicable

Euan Miller
Managing Director

Portfolio:

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: Local valuation cycle and the management of employer risk

- 2.1 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'.
- 2.2 The consultation closed on 31 July 2019.
- 2.3 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.
- 2.4 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.
- 2.5 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.

3. Consultation on changes to the SAB's cost management process (CMP)

- 3.1 On 30 January 2023, DLUHC launched a consultation on changes to the Scheme Advisory Board's (SAB) CMP. The consultation follows the report from the Government Actuary's Department into changes to the HM Treasury CMP, and the resulting policy and legislative changes set out in H M Treasury's response to that report. It acknowledges the differences between these two processes but proposes measures suggested by SAB in its consultation response to better integrate the SAB process within the statutory H M Treasury mechanism.
- 3.2 The consultation closed on 24 March 2023.

3.3 These changes were made by the LGPS (Amendment) (No 2) Regulations 2023 which were laid before Parliament on 9 May 2023 and came into force on 1 June 2023.

4 Consultation on the annual revaluation date change

4.1 On 10 February 2023, DLUHC published a consultation and draft regulations on changing the annual revaluation date in the LGPS. If laid, the regulations will take effect from 31 March 2023.

4.2 The proposals seek to remove the impact of inflation on the annual allowance. It does so by changing the annual revaluation date from the 1st to the 6th of April 2023, and thereafter on each 6th of April, for all members.

4.3 The consultation closed on 24 February 2023 and our response said that we supported the changes, however we expressed concerns about the timing of the change and the impact this may have on us and Civica with development work for the McCloud remedy and Pensions Dashboards.

4.4 This change was made by the LGPS (Amendment) Regulations 2023 which were laid before Parliament on 9 March 2023 and came into force on 31 March 2023.

5 Other LGPS matters

5.1 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 6 April 2023, DLUHC published their response to this consultation.

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.

On 19 July 2021 HM 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.

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.

On 24 November 2022, HMRC launched a consultation on how pension tax will apply to members protected by the McCloud remedy. HMRC was seeking views on draft legislation: The Public Services Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023. The legislation is planned to

take effect from 6 April 2023. Some provisions will have retrospective effect. The consultation documents also include an explanatory memorandum and guidance for administrators on the draft regulations. This consultation closed on 6 January 2023.

On 14 December 2022, HM Treasury (HMT) made the Public Service Pensions (Exercise of Powers, Compensation and Information) Directions 2022. They come into force on 19 December 2022 and apply to England, Northern Ireland, Scotland and Wales. The Directions set out how certain powers in the Public Service Pensions and Judicial Offices Act 2022 must be exercised. The Act gives relevant government departments powers to rectify McCloud discrimination.

The making of the Directions now allows relevant departments to start consulting on regulations exercising these powers. On 30 May 2023 DLUHC published the [‘McCloud’ remedy in the LGPS consultation](#) to make the necessary changes to the LGPS Regulations 2013. This consultation closed on 30 June 2023. Attached at Appendix 1 is a copy of our response to this consultation.

On 3 March 2023 SAB published guidance to assist administering authorities with McCloud data issues. The guidance sets out what options administering authorities may consider if they are unable to collect the data needed to implement the McCloud remedy. It covers both missing data and data the authority is not confident is accurate.

5.2 **Cost Control Mechanism**

Alongside publication of the McCloud consultation, HMT announced that the pause of the cost control mechanism would be lifted. The Scheme Advisory Board (SAB) also said it would be re-examining its results from its cost management process. It was also announced that there would be a review of the cost management process.

On 15 June 2021 the Government Actuary published his final report on his review of the cost control mechanism.

On 24 June 2021 HM Treasury launched consultations on proposed changes to the cost control mechanism and the SCAPE discount methodology.

On 4 October 2021, HMT published its response to the Public Service Pensions: cost control mechanism consultation.

SAB published the outcome of its cost management process for the 2016 valuation on 15 October 2021. SAB agreed to spread McCloud costs over a 10 year period (rather than the 4 years used by HMT) resulting in an outcome of 19.4% against a target cost of 19.5%. Despite the slight shortfall in cost SAB agreed not to recommend any scheme changes.

GAD has now published cost cap valuation reports for all 20 public service pension schemes and it has confirmed that no changes to member benefits or contributions are required as a result of these reports.

However, on 4 July 2022, the Fire Brigades Union and the British Medical Association were given permission to judicially review the UK Government's decision to include the McCloud remedy costs in the 2016 cost control valuations. The cases will be heard together. Though the case will look at the firefighters' and NHS pension schemes, the outcome may have an impact on the LGPS. This is because the first cost control valuations in the LGPS also included the McCloud remedy costs. The High Court Hearing began on 31 January 2023 and on 10 March 2023, it ruled that HM Treasury's decision to include the McCloud remedy in the cost cap mechanism was not unlawful. On 2 June 2023 the Court of Appeal granted unions permission to appeal against the High Court judgement.

5.3 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.

5.4 Scheme Annual Report 2022

On 26 June 2023, the SAB published its tenth Annual Report.

The report provides a single source of information about the status of the LGPS for its members, employers and other stakeholders. Key highlights for 2022 are:

- total membership of the LGPS increased slightly, growing by 161,871 (2.6 per cent) to 6.39 million members in 2022 from 6.23 million in 2021
- total assets of the LGPS increased to £369 billion (a change of 7.8 per cent),
- local authority return on investment over 2021/22 was 8.1 per cent. This compares to UK CPI year on year inflation of 8.8 per cent
- the Scheme maintained a positive cash-flow position overall, including investment income,
- over 1.95 million pensioners were paid over the year,
- life expectancy rebounded to pre-covid levels with an increase of 0.8 years for males and 0.6 years for females (2021 figures versus 2022).

- total management charges increased by £385 million (22.5 per cent) from £1,711 million. This was primarily driven by a £381 million (25.6 per cent) rise in investment management charges, while administration and oversight and governance costs remained broadly stable.

6 Other matters

6.1 Money and Pensions Service - Pensions dashboard update

On 27 May 2021, the Pensions Dashboard Programme (PDP) launched a call for input on staging. The call for input closed on 9 July 2021. PDP received just over 60 responses to the call for input from a variety of stakeholders, which will be used to feed into further policy development of pension dashboards.

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.

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.

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 of pensions Dashboards. The consultation closed on 13 March 2022.

The DWP launched a further consultation on pension dashboards on 28 June 2022. The further consultation sets out two proposals. The first proposal provides clarity on the 'Dashboard Available Point' (DAP). The second proposal allows the Money and Pensions Service and the Pensions Regulator to share information about dashboards with each other. The consultation closed on 19 July 2022.

On 4 July 2022, the Pensions Administration Standards Association published the Dashboard Accuracy Data Guidance. The guidance highlights the importance of regularly testing data for accuracy. This is particularly important for data that pension schemes will use when matching requests from the dashboards. The guidance provides information on how schemes could test their data and what data sources they could use

On 14 July 2022, DWP responded to the consultation on the draft Pensions

Dashboards Regulations. DWP has also published a summary of the key policies. The summary reflects the response to the consultation.

The key area of the response that affects LGPS administering authorities is the staging deadline for the LGPS and all other public service pension schemes, which will be deferred from 30 April 2024 to 30 September 2024.

On 19 July 2022, the PDP launched a consultation on dashboard standards and guidance, and a call for input on the design standards. Both the consultation and the call for input closed on 30 August 2022. Following this call for input, a consultation on the final design standards ran for six weeks.

On 17 October 2022, the Department for Work and Pensions (DWP) published draft guidance on applying to defer the staging deadline. DWP also published a template application form. The draft Pensions Dashboards Regulations 2022 propose allowing trustees / managers of a pension scheme to apply to DWP to defer their staging deadline. They set out the time limits in which to apply and the circumstances where DWP may accept applications. DWP may only agree to defer the staging deadline once for each scheme and for a period of up to 12 months

Also, on 17 October 2022 the draft Pensions Dashboards Regulations 2022 were laid by Parliament, alongside the publication of the Government's response to the further consultation on pensions dashboards. On 21 November 2022, the Department for Work and Pensions made The Pensions Dashboards Regulations 2022 – the Regulations. They came into force on 12 December 2022.

On 16 November 2022, the PDP published its revised standards for connecting to the dashboards ecosystem. They cover the technical and operational detail that underpins dashboards legislation. The revised standards incorporate feedback from the consultation published in July 2022

On 24 November 2022, the Pensions Regulator (TPR) launched a consultation on its draft dashboards compliance and enforcement policy. TPR is responsible for ensuring that occupational pension schemes comply with their dashboard duties.

PDP recently published its approach to the governance of the standards. This sets out how PDP developed the standards, outlines their scope and describes how they will go about setting and managing any future changes.

On 1 December 2022, the Financial Conduct Authority (FCA) published a consultation on the regulatory framework for dashboard operators. Under these proposals, operators will be able to offer savers additional services that have the potential to improve pension outcomes. These could include investment advice (including robo-advice) or guidance, modellers, calculators and other similar tools. Before doing so, operators will need to meet rigorous conduct standards. The consultation closed on 16 February 2023.

On 12 December 2022, the Department for Work and Pensions (DWP) published

guidance on how to defer connection to pensions dashboards. LGPS administering authorities must connect to the dashboards ecosystem within a connection window of 1 September 2024 to 30 September 2024. Authorities can apply to DWP to defer this in limited circumstances.

On 2 March 2023 The Department for Work and Pensions (DWP) announced plans for a "reset" of the Pensions Dashboards Programme with a further update on the plan for the delivery of pensions dashboards expected before summer recess.

The framework for dashboards will remain unchanged, although DWP will legislate to provide new connection deadlines and further information on the revised timeline will be made available following an agreement on PDP's delivery plan.

On 8 June 2023 the Pensions Minister issued an updated statement setting out further details of the delay. Details are set out below.

- Legislation will be updated to set an overall connection deadline for all schemes, which will be 31 October 2026.
- The individual connection deadlines for schemes will be set out in guidance, and will be before the final deadline of 31 October 2026. DWP is planning to collaborate with the industry this year before publishing this guidance.
- The date that Dashboards will go live to the public (Dashboards Available Point) has not been announced yet, but the Minister today said that this could be earlier than 31 October 2026. This indicates that Public Sector Schemes will have an earlier staging date than 31 October 2026.

Also, on 8 June 2023, the Pensions Administration Standards Association published value data guidance. The guidance provides pension schemes with 'good practice' approaches to providing value data to dashboards.

6.2 The Pensions Regulator Consultation on a new Code of Practice

On 17 March 2021 the Pensions Regulator (TPR) published a consultation on 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.

The new code of practice is expected to be published in the near future.

6.3 Second Review of State Pension Age

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

- the Government Actuary provided a report assessing the appropriateness of SPA considering the latest life expectancy projections
- Baroness Neville-Rolfe provided 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.

DWP published the outcome of the second review of state pension age on 30 March 2023. The outcome of the review confirmed that the increase to State Pension Age from 66 to 67 is appropriate, meaning this rise will therefore take place between 2026-2028. That the Government plan to have a further review within two years of the next Parliament to consider the increase in Stage Pension Age to age 68.

6.4 **Spring budget 2023**

On 15 March 2023, the Chancellor of the Exchequer delivered his Spring budget following which the Finance (No.2) Bill 2022/23 was published on 23 March 2023. With effect from 6 April 2023, the Bill proposes to enact some of the changes announced at the Spring budget. In particular:

- increasing the annual allowance (AA) from £40,000 to £60,000
- increasing the money purchase AA from £4,000 to £10,000
- increasing the adjusted income level for the tapered AA from £240,000 to £260,000
- increasing the minimum tapered AA from £4,000 to £10,000
- abolishing lifetime allowance (LTA) charges arising in relation to benefit crystallisation events (BCE) occurring on or after 6 April 2023
- allowing members to accrue new pension benefits, join new arrangements or transfer, without losing enhanced protection or fixed protection where the protection was applied for before 15 March 2023
- changing the taxation of the LTA excess lump sum, so that it is taxed as pension income (ie taxable at marginal rate rather than 55 per cent)

- ensuring that payments of (or any part of) serious ill-health lump sums defined benefit lump sum death benefits or an uncrystallised funds lump sum death benefits that would have incurred an LTA charge remain taxable payments, with the excess taxed as pension income (ie taxable at marginal rate rather than 55 per cent).

The LTA will be abolished completely from the 2024/2025 tax year. This will be done through a future Finance Bill

6.5 **SCAPE Discount Rate Methodology**

On 30 March 2023 GAD published a technical note, following the publication of Government's response to the consultation on the discount rate methodology for public service pensions. The response confirmed that:

- the current methodology for setting the discount rate, based on the Office for Budget Responsibility's (OBR) forecast of long-term GDP growth, has been retained
- in future, the government will aim to review the level of the discount rate once in every 4 year valuation cycle, rather than the current 5 year timetable.

A Written Ministerial Statement also confirmed that the new SCAPE discount rate is 1.7% a year above the annual rate of the Consumer Prices Index of inflation.

As the reduced SCAPE discount rate is effective from 30 March 2023. DLUHC has confirmed some calculations had to be suspended immediately until new factors are issued. The suspension of calculations has now been lifted following DLUHC providing updated GAD factors on 1 June 2023 and 3 July 2023.

6.6 **Consultation on second set of rectification regulations**

On 22 May 2023, H M R C launched a consultation on The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No.2) Regulations 2023.

The draft regulations supplement The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 ('first set of regulations'), which came into force on 6 April 2023.

The first set of regulations modifies various tax legislation, so the correct tax treatment is applied when public service schemes implement the McCloud remedy. The draft regulations propose further modifications.

This consultation closed on 19 June 2023.

6.7 Report on pension scam regulations

On 21 June 2023, DWP published a review of the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021. DWP agreed to publish the review within 18 months of the regulations being operational. The review considered the following questions:

- are the regulations effective? • are there any unintended consequences?
- what does the pension fraud landscape look like following the regulations?
- are the red and amber flags still appropriate?

The report concludes that the original policy intent remains appropriate. However, there is concern about applying the regulations, in particular regarding the incentive red flag and overseas investment amber flag. DWP will work with industry and TPR to consider if changes could be made to the regulations to improve the transfer experience, without undermining the policy intent.

OTHER CONSIDERATIONS

7. FINANCIAL & RESOURCE APPRAISAL

None

8. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

9. LEGAL APPRAISAL

None

10. OTHER IMPLICATIONS

10.1 SUSTAINABILITY IMPLICATIONS

None

10.2 GREENHOUSE GAS EMISSIONS IMPACTS

None

10.3 COMMUNITY SAFETY IMPLICATIONS

None

10.4 HUMAN RIGHTS ACT

None

10.5 TRADE UNION

None

10.6 WARD IMPLICATIONS

None

**10.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)**

None

10.8 IMPLICATIONS FOR CORPORATE PARENTING

None

10.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None

11. NOT FOR PUBLICATION DOCUMENTS

None

12. OPTIONS

None

13. RECOMMENDATION

It is recommended that the Joint Advisory Group note the report.

14. APPENDICES

1. 'McCloud' remedy in the LGPS consultation response

Response ID ANON-5QE2-MGX7-Z

Submitted to 'McCloud' remedy in the LGPS – supplementary issues and scheme regulations
Submitted on 2023-06-30 10:50:59

Your details

What is your name?

Name:

Tracy Weaver

What is your email address?

Email:

tracy.weaver@wypf.org.uk

Scope of the consultation

Introduction

Proposals

Question 1 – Do you agree with the rules about aggregation and underpin protection that we are proposing?

Agree with reservations

Please explain your answer further if needed.:

WYPF are pleased with the change of approach for members with previous unaggregated membership in the LGPS, however we are concerned that we may not hold or the member may not provide details of all previous LGPS membership. It would therefore be useful to receive guidance on how much effort is required by administering authorities to obtain details of previous LGPS membership.

Club transfers into the LGPS

Question 2 – Do you agree with our proposed approach regarding Club transfers?

Agree with reservations

Please explain your answer further if needed.:

WYPF agrees with the proposed approach regarding Club transfers, but we have similar concerns as for unaggregated LGPS membership, in that it may be difficult to obtain details of previous Club membership from members and verified by the former Club scheme.

Flexible retirement

Question 3 – Do you agree with our proposal to extend underpin protection to the period after flexible retirement, if it is in the underpin period?

Agree

Please explain your answer further if needed.:

Question 4 – Do you agree with our proposal for multiple final underpin dates if a member takes 'partial' flexible retirement?

Agree with reservations

Please explain your answer further if needed.:

For consistency, WYPF agrees with the proposal for multiple final underpin dates where a member takes 'partial' flexible retirement. However, we note 'partial' flexible retirement is already extremely complicated and this will add an extra layer of complexity for software suppliers and administering authorities.

Divorce

Question 5 – Do you agree with our proposed method for calculating a CEV for a member with underpin protection?

Agree

Please explain your answer further if needed.:

Question 6 – Do you agree with our proposal to remove pension debits from the calculation of the provisional assumed benefits and underpin amount?

Agree

Please explain your answer further if needed.:

Excess teacher service

Question 7 – Do you have any comments on the approach being adopted for these members?

Yes

Please explain your answer further if needed.:

WYPF feels the approach being adopted for these members is sensible, but as already highlighted will be very complex to administer without detailed guidance.

Question 8 – Are there any areas where specific scheme regulations regarding excess teacher service would be necessary or beneficial?

No

Please explain your answer further if needed.:

WYPF feel that amendments to the LGPS Regulations should be kept to a minimum, but these should be supported by detailed guidance on all aspects outlined in the consultation document.

Compensation

Question 9 – Do you have any comments on the Government's approach to compensation?

Yes

Please explain your answer further if needed.:

WYPF are happy with the government's approach to compensation and at first glance we feel that in the LGPS there would only be a small number of cases where it may apply and therefore the proposed guidance would be really useful.

Interest

Question 10 – Do you have any comments on the Government's approach to interest?

Yes

Please explain your answer further if needed.:

WYPF feel the government's approach to interest is rather complex and therefore it could be difficult for software providers to update their systems in a timely manner

Injury allowances

Question 11 – Do you agree with the approach we have proposed for injury allowance payments?

No comment

Please explain your answer further if needed.:

Equalities

Question 12 - Do you have any comments on our equality impact assessment?

Yes

Please explain your answer further if needed.:

WYPF are happy with the data used in the equality impact assessment, given you have considered all the data sets readily available.

Question 13 – Are you aware of additional data sets that would help us assess the impacts of the LGPS McCloud remedy on the LGPS membership?

No

Please explain your answer further if needed.:

Draft regulations

Question 14 – Do you have any comments on the draft regulations?

Yes

Please explain your answer further if needed.:

On an initial review of the draft Regulations, they appear to cover what is necessary and intended, however the true test will come when administering authorities start applying these on actual cases.

Question 15 – Do you have any other comments you would like to make on McCloud remedy in the LGPS?

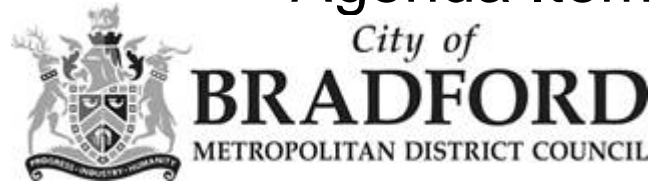
No

Please explain your answer further if needed.:

About this consultation

Personal data

This page is intentionally left blank



Report of the Managing Director of West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 27 July 2023

E

Subject: Review of Employer Exit Policy

Summary statement:

The Investment Advisory Panel will review WYPF's strategic asset allocation at its meeting on the morning of the 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.

Given the above, 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 sets out a proposal for how a review of the Exit Policy could take place and recommended changes be brought back for approval by the Joint Advisory Group at its January 2024 meeting.

EQUALITY & DIVERSITY:

None

Euan Miller
Managing Director WYPF

Portfolio:

Report Contact: Caroline Blackburn
Head of Employer Services and
Compliance
Phone: 077903531709
E-mail: caroline.blackburn@wypf.org.uk

Overview & Scrutiny Area:

1. BACKGROUND

- 1.1 One of the most important aspects of any LGPS funds' funding strategy is how liabilities are valued for employers that cease to participate in the fund. This employer exit event occurs when an employer has no remaining contributing active members (and is not expected to do so in the short to medium term).
- 1.2 Historically, many exiting employers were required to pay substantial exit debts. If the liabilities were not being subsumed by another ongoing employer and were instead 'orphaned' – i.e. needing to be met by all remaining active employers, then the liabilities were typically valued on a prudent basis, for example assuming future investments returns were in line with risk-free Government bond yields. In addition there was no ability for employers to receive a payment from the fund should the funding position of their liabilities be in surplus.
- 1.3 However, amendments to the LGPS Regulations between 2018 and 2020 have allowed for exiting employers to potentially receive a return of surplus and have introduced the need for LGPS funds to develop relatively detailed exit policies.
- 1.4 Following the introduction of these amending regulations WYPF and its actuary Aon undertook a review of how liabilities are calculated for non-tax raising bodies whose liabilities become orphaned on exit. As a result the Fund changed the methodology used in these calculations in January 2022.
- 1.5 The Fund adopted a 'Probability of Funding success' approach, moving away from the more traditional method of assuming future investment returns would be in line with risk-free Government Bond yields. At the time this change typically reduced the value placed on the exiting employers' liabilities and therefore reduced the cost of employers exiting the Fund.
- 1.6 However, due to the significant increases in bond yields over the last 18 months, the current methodology now typically places a higher value on the exiting employer's liabilities than the Government bond based approach and may potentially be viewed as overly prudent.
- 1.7 One of the inputs in the model the actuary currently uses is the expected level and volatility of future investment returns from the WYPF asset portfolio. The Investment Advisory Panel will be reviewing WYPF's strategic asset allocation at its meeting on the morning of the 27 July 2023. Therefore it did not seem appropriate to ask the WYPF actuary to do any modelling prior to that meeting taking place.

2. PROPOSED PROCESS

- 2.1 Following the review of the strategic asset allocation which is taking place at the 27th July IAP meeting, it is proposed that the Fund Actuary (Aon) will be asked to review the impact any changes to the asset allocation may have on the exit basis using the current methodology and what impact reducing the Probability of Funding success from its current level of 95% may have.
- 2.2 A Joint Advisory Group sub-group is to be established to meet, as necessary during

autumn 2023 to consider any updated advice from Aon and proposed updates to the exit policy, which forms part of the WYPF Funding Strategy Statement.

- 2.3 If any material changes to the Funding Strategy Statement are proposed then these require consultation with stakeholders, in particular participating employers.
- 2.4 If a consultation exercise is required then it is envisaged that this is undertaken in advance of the January 2024 Joint Advisory Group meeting, with the revised FSS being in a position to be approved at that meeting.

3. LEGAL CONSIDERATIONS

- 3.1 In accordance with the Local Government Pension Scheme Regulations (LGPS 2013):
 - An administering authority must, after consultation with such persons it considers appropriate, prepare, maintain and publish a written statement setting out its funding strategy.
 - The authority must keep the statement under review and, after consultation with such persons as it considers appropriate, make such revisions as are appropriate following a material change in its policy set out in the statement, and if revisions are made, publish the statement as revised.

4. RECOMMENDATION

- 4.1 The Joint Advisory Group approve a sub-group to convene during Autumn 2023 to consider advice received from the Fund Actuary.
- 4.2 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.

This page is intentionally left blank



Report of the Managing Director of West Yorkshire Pension Fund to the meeting of Joint Advisory Group to be held on 27 July 2023

F

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 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.

EQUALITY & DIVERSITY:

None

Euan Miller
Managing Director WYPF

Portfolio:

Report Contact: Caroline Blackburn
Head of Employer Services and
Compliance
Phone: 077903531709
E-mail: caroline.blackburn@wypf.org.uk

Overview & Scrutiny Area:

1. SUMMARY

1.1 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.

1.2 A Register of Breaches of Law is maintained in accordance with the Pensions Regulator's requirements and WYPF Breaches procedure.

2. BACKGROUND

2.1 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.

2.2 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.

2.3 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.

2.4 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.

2.5 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

3.1 The entries on the Register of Breaches for 2022/2023 (Appendix A) relate to:

- Contributions being paid late by employers and therefore not being received by the fund until after the Pension Regulator's deadline of the 21st day of the following month.
- the non-issue of Annual Benefit Statements by the 31 August 2022 for a small number of active members.

3.2 The entries on the Register of Breaches for 2023/2024 (Appendix B) relate to:

- Contributions being paid late by employers and therefore not being received by the fund until after the Pension Regulator's deadline of the 21st day of the following month.

4. LEGAL APPRAISAL

4.1 Appendix A and Appendix B details whether each Breach has been deemed to be of material significance and as a result been reported to the Pensions Regulator in accordance with Section 70 of the Pensions Act 2004.

5. RECOMMENDATIONS

It is recommended that the Joint Advisory Group note the entries and action taken on the Register of Breaches.

6. APPENDICES

- Appendix A – Register of Breaches 2022/2023
- Appendix B – Register of Breaches 2023/2024

This page is intentionally left blank

WYPF Breaches of Law 2022-2023

Date	Category (eg administration, contributions, funding, investments)	Pensions Regulator code of practice paragraph	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
Sept 2022	Administration Issue of Annual Benefit Statements (ABS)	189	<p>Scheme regulations require an ABS be provided to each active member by the 31 August each year</p> <p>At 31 August 22 98.39% of statements had been sent out.</p> <p>(Members at 31 March 22 = 181285</p> <p>ABS issued = 178365)</p>	1.61% of active eligible members did not receive their ABS within prescribed time limits	Only accurate ABS are sent out. Work continues to release ABS to be sent out as soon as the record is in a position to have a correct ABS produced.	Not reported	Due to the relative low numbers this breach is not regarded as of material significance	Outstanding ABS continue to be issued as soon as the ABS block has been resolved
See schedule below	Administration Maintaining contributions	147	<p>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.</p> <p>Please see schedule below for details of employers who failed to make payment by the appropriate date.</p>	Contributions not received by the scheme within the prescribed timescales	<p>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.</p> <p>Continuing Action: Employers are closely monitored. Records of each employer who fail to make payment each month are maintained.</p>	Not reported		All outstanding payments are chased up

WYPF Breaches of the Law 2022 -2023

Employer	Date due	Date Paid	Employees' contributions	Employers' contributions	Total Value of late payment
Ryhill Parish Council	19/05/2022	NO PAYMENT	0	0	0
Kirklees Citizens Advice And Law Centre	19/05/2022	10/06/2022	259.79	502.97	762.76
Outwood Grange Academy	19/05/2022	23/05/2022	29,644.57	62,453.63	92,098.20
Fleet Factors Ltd	19/05/2022	17/06/2022	88.97	0.00	88.97
Outwood Primary Academy Ledger Lane	19/05/2022	23/05/2022	1,783.95	4,996.23	6,780.18
Outwood Primary Academy Kirkhamgate	19/05/2022	23/05/2022	1,052.32	2,918.48	3,970.80
Outwood Primary Academy Lofthouse Gate	19/05/2022	23/05/2022	1,856.77	5,018.59	6,875.36
Halifax Opportunities Trust (Calderdale)	19/05/2022	23/05/2022	2,058.57	1,170.38	3,228.95
CBRE Managed Services Limited	19/05/2022	24/05/2022	503.35	2,271.17	2,774.52
Star Academies Trust	19/05/2022	06/12/2022	121.75	382.98	504.73
Outwood Primary Academy Bell Lane	19/05/2022	23/05/2022	1,418.00	4,614.95	6,032.95
Outwood Primary Academy Park Hill	19/05/2022	23/05/2022	1,846.31	5,677.25	7,523.56
Outwood Academy Freeston	19/05/2022	23/05/2022	3,422.11	10,437.23	13,859.34
Outwood Academy Hemsworth	19/05/2022	23/05/2022	6,537.37	19,404.38	25,941.75
Outwood Primary Academy Newstead Green	19/05/2022	23/05/2022	1,204.88	3,715.74	4,920.62
Outwood Academy Wakefield City	19/05/2022	23/05/2022	4,319.46	12,234.91	16,554.37
Heaton St Barnabas C of E Primary School	19/05/2022	20/06/2022	3,114.70	9,007.39	12,122.09
St Bedes and St Josephs Catholic College	19/05/2022	20/06/2022	9,970.70	28,755.06	38,725.76
Low Moor Primary School	19/05/2022	20/06/2022	2,398.62	7,181.26	9,579.88
Enviroserve (Priestley Academy Trust)	19/05/2022	14/02/2023	511.55	0.00	511.55
Atalian Servest (Mast Academy Trust)	19/05/2022	30/06/2022	772.31	2,509.54	3,281.85
Hutchison Catering Ltd (Cottingley Primary Academy)	19/05/2022	06/06/2022	125.18	383.20	508.38
Hutchison Catering Ltd (Feversham Primary Academy)	19/05/2022	06/06/2022	204.50	512.72	717.22
Midshire Signature Services Ltd (Bronte Academy Trust)	19/05/2022	19/08/2022	390.68	1,321.28	1,711.96
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/05/2022	16/12/2022	1,042.90	2,829.88	3,872.78
Mellors Catering Services Limited (Priestley Academy Trust)	19/05/2022	19/07/2022	879.24	2,420.58	3,299.82

WYPF Breaches of the Law 2022 -2023

Bulloughs (Temple Learning Academy RKLTL)	19/05/2022	18/10/2022	1,086.20	3,472.76	4,558.96
Mellors Catering Services Limited (Appleton Academy)	19/05/2022	19/07/2022	507.45	1,364.43	1,871.88
Hutchison Catering Limited (Iveson)	19/05/2022	31/08/2022	33.82	97.78	131.60
Mellors Catering Services Limited (Elevate MAT)	19/05/2022	19/10/2022	122.75	450.84	573.59
Bulloughs Cleaning Services Limited (Share MAT)	19/05/2022	13/10/2022	162.47	481.80	644.27
RCCN Limited (Chellow Heights School)	19/05/2022	11/11/2022	156.16	485.53	641.69
Midshire Signature Services Ltd (Co-op Academy Smithies Moor)	19/05/2022	20/09/2022	105.23	298.48	403.71
Our Learning Cloud (BDAT)	19/05/2022	23/01/2023	1,451.01	4,494.16	5,945.17
Mellors Catering Services Limited (Star Academies)	19/05/2022	20/02/2023	344.34	1,071.72	1,416.06
Aspens (Ireland Wood Primary School)	19/05/2022	08/02/2023	72.49	209.58	282.07
Aspens Services Limited (Batley Multi Academy Trust)	19/05/2022	08/02/2023	393.81	1,224.32	1,618.13
Maxim Facilities Management Limited (Southfield Grange)	19/05/2022	06/03/2023	17.02	45.48	62.50

Outwood Grange Academy	17/06/2022	23.06.2022	26712.45	63340.1	90,052.55
Outwood Primary Academy Ledger Lane	17/06/2022	23.06.2022	1851.36	5203.86	7,055.22
Outwood Primary Academy Kirkhamgate	17/06/2022	23.06.2022	993.42	2753.57	3,746.99
Outwood Primary Academy Lofthouse Gate	17/06/2022	23.06.2022	2013.38	5949	7,962.38
Star Academies Trust	17/06/2022	06.12.2022	89.51	281.57	371.08
Outwood Primary Academy Bell Lane	17/06/2022	23.06.2022	1280.74	4182.99	5,463.73
Outwood Primary Academy Park Hill	17/06/2022	23.06.2022	1992.96	6141.32	8,134.28
Outwood Academy Freeston	17/06/2022	23.06.2022	3339.9	10442.31	13,782.21
Outwood Academy Hemsworth	17/06/2022	23.06.2022	5845.7	17469.29	23,314.99
Outwood Primary Academy Newstead Green	17/06/2022	23.06.2022	1170.86	3619.62	4,790.48
Outwood Academy Wakefield City	17/06/2022	23.06.2022	3863.59	11506.86	15,370.45
Heaton St Barnabas C of E Primary School	17/06/2022	08.09.2022	2580.03	7506.87	10,086.90
St Bedes and St Josephs Catholic College	17/06/2022	08.09.2022	9669.71	27649.41	37,319.12
Low Moor Primary School	17/06/2022	08.09.2022	2414.49	7231.19	9,645.68
Enviroserve (Priestley Academy Trust) *	17/06/2022	14.02.2022	533.41	0	533.41
Atalian Servest (Mast Academy Trust)	17/06/2022	30.06.2022	812.07	2639.67	3,451.74
Midshire Signature Services Ltd (Bronte Academy Trust)	17/06/2022	19.08.2022	404.58	1342.36	1,746.94

WYPF Breaches of the Law 2022 -2023

Bulloughs Cleaning Services Limited (Exceed Academies Trust)	17/06/2022	16.12.2022	1004.52	2725.22	3,729.74
Mellors Catering Services Limited (Priestley Academy Trust)	17/06/2022	19.07.2022	938.31	2577.76	3,516.07
Bulloughs (Temple Learning Academy RKLTL)	17/06/2022	18.10.2022	1194.02	3815.5	5,009.52
Mellors Catering Services Limited (Appleton Academy)	17/06/2022	19.07.2022	504.9	1357.97	1,862.87
Hutchison Catering Limited (Iveson)	17/06/2022	18.10.2022	34.08	98.53	132.61
Mellors Catering Services Limited (Elevate MAT)	17/06/2022	19.07.2022	119.62	439.32	558.94
Bulloughs Cleaning Services Limited (Share MAT)	17/06/2022	31.08.2022	163.03	483.42	646.45
RCCN Limited (Chellow Heights School)	17/06/2022	11.11.2022	162.7	505.85	668.55
Midshire Signature Services Ltd (Co-op Academy Smithies Moor)	17/06/2022	20.09.2022	116.67	330.91	447.58
Our Learning Cloud (BDAT)	17/06/2022	23.01.2023	1060.19	3299.82	4,360.01
Mellors Catering Services Limited (Star Academies)	17/06/2022	20.02.2023	342.97	1067.42	1,410.39
Aspens (Ireland Wood Primary School)	17/06/2022	08.02.2023	82.95	239.79	322.74
Aspens Services Limited (Batley Multi Academy Trust)	17/06/2022	08.02.2023	599.4	1863.54	2,462.94

Ryhill Parish Council	19/07/2022	17/02/2023	47.65	95.3	142.95
South Elmsall Town Council	19/07/2022	05/08/2022	328.95	855.42	1,184.37
Basketball England	19/07/2022	15/02/2023	176.39	1014.92	1,191.31
Aspire-Igen Group Ltd	19/07/2022	23/08/2022	856.35	3066.56	3,922.91
Fleet Factors Ltd	19/07/2022	19/08/2022	88.97	0	88.97
Pool Parish Council	19/07/2022	26/07/2022	57.32	240.74	298.06
Sitlington Parish Council	19/07/2022	25/07/2022	197.36	813.78	1,011.14
Heaton St Barnabas C of E Primary School	19/07/2022	08/09/2022	2603.36	7578.68	10,182.04
St Bedes and St Josephs Catholic College	19/07/2022	08/09/2022	9756.55	27934.23	37,690.78
Low Moor Primary School	19/07/2022	08/09/2022	2290.37	6849.37	9,139.74
Independent Cleaning Services Ltd (Star Academies Trust)	19/07/2022	12/09/2022	89.51	419.91	509.42
Midshire Signature Services Ltd (Bronte Academy Trust)	19/07/2022	19/08/2022	393.43	1306.27	1,699.70
Hutchison Catering Limited (Iveson)	19/07/2022	31/08/2022	33.3	96.27	129.57
Midshire Signature Services Ltd (Co-op Academy Smithies Moor)	19/07/2022	20/09/2022	123.82	351.2	475.02
Enviroserve (Priestley Academy Trust) *	19/07/2022	14/02/2023	538.76	0	538.76
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/07/2022	16/12/2022	804.9	2183.69	2,988.59
Bulloughs (Temple Learning Academy RKLTL)	19/07/2022	18/10/2022	937.04	2995.72	3,932.76

WYPF Breaches of the Law 2022 -2023

Mellors Catering Services Limited (Elevate MAT)	19/07/2022	19/10/2022	94.46	346.92	441.38
Bulloughs Cleaning Services Limited (Share MAT)	19/07/2022	13/10/2022	132.4	392.55	524.95
RCCN Limited (Chellow Heights School)	19/07/2022	11/11/2022	161.03	500.65	661.68
Our Learning Cloud (BDAT)	19/07/2022	23/01/2023	1005.45	3137.17	4,142.62
Mellors Catering Services Limited (Star Academies)	19/07/2022	20/02/2023	338.52	1053.39	1,391.91
Aspens (Ireland Wood Primary School)	19/07/2022	08/02/2023	70.53	203.92	274.45
Aspens Services Limited (Batley Multi Academy Trust)	19/07/2022	08/02/2023	602.97	1874.63	2,477.60

Ryhill Parish Council	19/08/2022	17/02/2023	44.48	88.95	133.43
South Elmsall Town Council	19/08/2022	14/09/2022	358.53	938.04	1,296.57
Aspire-Igen Group Ltd	19/08/2022	23/08/2022	856.35	3066.56	3,922.91
Turning Lives Around	19/08/2022	22/08/2022	873.82	0	873.82
CBRE Managed Services Limited	19/08/2022	01/09/2022	518.88	2343.99	2,862.87
Heaton St Barnabas C of E Primary School	19/08/2022	08/09/2022	2577.07	7496.29	10,073.36
St Bedes and St Josephs Catholic College	19/08/2022	08/09/2022	9866.34	28477.1	38,343.44
Low Moor Primary School	19/08/2022	08/09/2022	2361.76	7075.75	9,437.51
Independent Cleaning Services Ltd (Star Academies Trust)	19/08/2022	12/09/2022	90.32	423.7	514.02
Enviroserve (Priestley Academy Trust) *	19/08/2022	14/02/2023	541.8	0	541.80
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/08/2022	16/12/2022	816.32	2214.81	3,031.13
Bulloughs (Temple Learning Academy RKLt)	19/08/2022	18/10/2022	895.67	2861.81	3,757.48
Hutchison Catering Limited (Iveson)	19/08/2022	31/08/2022	33.3	96.27	129.57
Mellors Catering Services Limited (Elevate MAT)	19/08/2022	19/10/2022	97.51	358.11	455.62
Bulloughs Cleaning Services Limited (Share MAT)	19/08/2022	13/10/2022	134.15	397.63	531.78
RCCN Limited (Chellow Heights School)	19/08/2022	11/11/2022	170.38	529.71	700.09
Midshire Signature Services Ltd (Co-op Academy Smithies Moor)	19/08/2022	20/09/2022	120.38	341.13	461.51
Our Learning Cloud (BDAT)	19/08/2022	23/01/2023	901.04	2809.59	3,710.63
Mellors Catering Services Limited (Star Academies)	19/08/2022	20/02/2023	343.2	1068.12	1,411.32
Aspens (Ireland Wood Primary School)	19/08/2022	08/02/2023	72.49	209.58	282.07
Aspens Services Limited (Batley Multi Academy Trust)	19/08/2022	08/02/2023	628.18	1940.44	2,568.62

South Elmsall Town Council	19/09/2022	03/04/2023	358.53	938.04	1296.57
St Anne's Community Services	19/09/2022	19/10/2022	685.52	3332.33	4,017.85

WYPF Breaches of the Law 2022 -2023

Micklefield Parish Council	19/09/2022	23/09/2022	86.2	246.73	332.93
Fleet Factors Ltd	19/09/2022	05/10/2022	88.97	0	88.97
Pool Parish Council	19/09/2022	29/09/2022	240.74	57.32	298.06
Moorlands Learning Trust	19/09/2022	03/10/2022	11442.07	29885.74	41,327.81
South Pennine Academies	19/09/2022	27/09/2022	5622.15	15100.83	20,722.98
Affinity Trust	19/09/2022	12/10/2022	499.75	0	499.75
St Anne's (Bradford) Community Services	19/09/2022	19/10/2022	967.17	907.35	1,874.52
Arcadis (UK) Ltd	19/09/2022	18/10/2022	2372.98	1256.42	3,629.40
Future Cleaning Services Limited (Calder High)	19/09/2022	05/10/2022	173.56	719.55	893.11
Enviroserve (Priestley Academy Trust) *	19/09/2022	14/02/2023	507.04	0	507.04
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/09/2022	16/12/2022	970.7	2632.95	3,603.65
Bulloughs (Temple Learning Academy RKLTL)	19/09/2022	18/10/2022	1047.3	3343.18	4,390.48
Bulloughs Cleaning Services Limited (Share MAT)	19/09/2022	13/10/2022	170.95	506.5	677.45
RCCN Limited (Chellow Heights School)	19/09/2022	11/11/2022	155.59	483.76	639.35
Our Learning Cloud (BDAT)	19/09/2022	23/01/2023	916.13	2854.1	3,770.23
Mellors Catering Services Limited (Star Academies)	19/09/2022	20/02/2023	341.88	1063.99	1,405.87
Aspens (Ireland Wood Primary School)	19/09/2022	08/02/2023	70.4	203.54	273.94
The Cellar Trust Limited	19/09/2022	18/01/2023	878.73	2311.73	3,190.46
Aspens Services Limited (Batley Multi Academy Trust)	19/09/2022	08/02/2023	710.16	2152.05	2,862.21

Ryhill Parish Council	19/10/2022	17/02/2023	41.3	82.6	123.90
South Elmsall Town Council	19/10/2022	17/02/2023	328.95	871.79	1,200.74
Greenhead Sixth Form College	19/10/2022	02/11/2022	8371.89	28608.63	36,980.52
Horsforth Town Council	19/10/2022	27/10/2022	304.4	749.3	1,053.70
Horbury Bridge CE J and I School	19/10/2022	07/11/2022	984.59	2841.97	3,826.56
Arcadis (UK) Ltd	19/10/2022	03/11/2022	2039.74	208.94	2,248.68
Enviroserve (Priestley Academy Trust) *	19/10/2022	14/02/2023	583.85	0	583.85
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/10/2022	16/12/2022	774.43	2100.52	2,874.95
SBFM Limited (Bradford College)	19/10/2022	16/02/2023	473.14	1915.64	2,388.78
RCCN Limited (Chellow Heights School)	19/10/2022	11/11/2022	165.29	513.94	679.23
Our Learning Cloud (BDAT)	19/10/2022	23/01/2023	1046.75	3180.82	4,227.57
Mellors Catering Services Limited (Star Academies)	19/10/2022	20/02/2023	367.01	1139.03	1,506.04
Aspens (Ireland Wood Primary School)	19/10/2022	08/02/2023	68.91	199.22	268.13

WYPF Breaches of the Law 2022 -2023

Aspens Services Limited (Batley Multi Academy Trust)	19/10/2022	08/02/2023	664.96	2013.51	2,678.47
--	------------	------------	--------	---------	----------

Ryhill Parish Council	19/11/2022	23/01/2023	41.3	82.6	123.90
Horsforth Town Council	19/11/2022	No Payment	0	0	0.00
One In A Million Free School	19/11/2022	14/12/2022	2699.86	7105.19	9,805.05
Liberty Gas West	19/11/2022	No Payment	0	0	0.00
Liberty Gas Outer West	19/11/2022	No Payment	0	0	0.00
Enviroserve (Priestley Academy Trust) *	19/11/2022	14/02/2023	575.48	0	575.48
SBFM Limited (Bradford College)	19/11/2022	16/02/2023	438.7	1774.2	2,212.90
The Cellar Trust Ltd (Bradford Wellbeing Service)	19/11/2022	18/01/2023	194.48	573.39	767.87
Aspens Services Limited (Batley Multi Academy Trust)	19/11/2022	08/02/2023	668.33	2024.47	2,692.80

Ryhill Parish Council	19/12/2022	23/01/2023	41.3	82.6	123.90
South Elmsall Town Council	19/12/2022	17/02/2023	379.62	1000.45	1,380.07
Leeds Centre for Integrated Living	19/12/2022	11/01/2023	1680.93	0	1,680.93
Hepworth Gallery Trust	19/12/2022	18/01/2023	962.23	1411.24	2,373.47
Future Cleaning Services Limited (Calder High)	19/12/2022	17/01/2023	143.27	593.91	737.18
Enviroserve (Priestley Academy Trust) *	19/12/2022	14/02/2023	569.11	0	569.11
RFM Group Services Limited (Sandy Lane Primary School)	19/12/2022	No Payment	0	0	0.00
Enviroserve (St Pauls Primary School)	19/12/2022	No Payment	0	0	0.00
Cater Link Ltd (Selby College)	19/12/2022	No Payment	0	0	0.00
SBFM Limited (Bradford College)	19/12/2022	17/02/2023	405.43	1638.51	2043.94
Our Learning Cloud (BDAT)	19/12/2022	23/01/2023	1056.55	3198.59	4225.14
Aspens (Ireland Wood Primary School)	19/12/2022	08/02/2023	43.28	125.11	168.39
The Cellar Trust Limited	19/12/2022	No Payment	0	0	0.00
The Cellar Trust Ltd (Bradford Wellbeing Service)	19/12/2022	18/01/2023	194.48	573.39	767.87
Enviroserve (Low Moor Primary School)	19/12/2022	No Payment	0	0	0.00
Aspens Services Limited (Batley Multi Academy Trust)	19/12/2022	08/02/2023	607.01	1850.9	2,457.91
Maxim Facilities Management Limited (Southfield Grange)	19/12/2022	06/03/2023	17.02	48.68	65.70
Enviroserve (Allerton Primary)	19/12/2022	No Payment	0	0	0.00

WYPF Breaches of the Law 2022 -2023

Bradford M.D.C	19/01/2023	26/01/2023	7424.79	22022.9	29,447.69
Ryhill Parish Council	19/01/2023	23/01/2023	41.3	82.6	123.90
South Elmsall Town Council	19/01/2023	17/02/2023	336.60	887.99	1224.59
St Anne's Community Services	19/01/2023	23/01/2023	702.52	3426.33	4128.85
St Anne's (Bradford) Community Services	19/01/2023	23/01/2023	904.13	849.13	1753.26
APCOA Parking LTD	19/01/2023	23/01/2023	204.09	756.57	960.66
Liberty Gas West	19/01/2023	No Payment	0	0	0.00
Liberty Gas Outer West	19/01/2023	No Payment	0	0	0.00
Falcon Education Academies Trust	19/01/2023	No Payment	0	0	0.00
Dolce Limited (Bishop Konstant C.A.T)	19/01/2023	23/01/2023	258.92	1055.76	1,314.68
Enviroserve (Priestley Academy Trust) *	19/01/2023	14/02/2023	557.65	0	557.65
Carroll Cleaning Company Limited (Fearnville Primary School)	19/01/2023	No Payment	0	0	0.00
RFM Group Services Limited (Sandy Lane Primary School)	19/01/2023	No Payment	0	0	0.00
Enviroserve (St Pauls Primary School)	19/01/2023	No Payment	0	0	0.00
Hutchison Catering Limited (Iveson)	19/01/2023	No Payment	0	0	0.00
SBFM Limited (Bradford College)	19/01/2023	17/02/2023	436.38	1764.45	2,200.83
Our Learning Cloud (BDAT)	19/01/2023	23/01/2023	1160.39	3526	4,686.39
Enviroserve (Low Moor Primary School)	19/01/2023	No Payment	0	0	0.00
Aspens Services Limited (Batley Multi Academy Trust)	19/01/2023	08/02/2023	620.05	1889.8	2,509.85
Maxim Facilities Management Limited (Southfield Grange)	19/01/2023	06/03/2023	34.03	54.39	84.42
Enviroserve (Allerton Primary)	19/01/2023	No Payment	0	0	0.00
Maxim Facilities Management Ltd (Ireland Wood Primary School)	19/01/2023	No Payment	0	0	0.00

Ryhill Parish Council	18/02/2023	No Payment	0	0	0.00
South Elmsall Town Council	18/02/2023	03/04/2023	377.26	985.93	1,363.19
St Anne's Community Services	18/02/2023	13/03/2023	685.52	3332.33	4,017.85
Trinity Academy Halifax	18/02/2023	17/03/2023	2296.82	6771.55	9,068.37
Affinity Trust	18/02/2023	10/05/2023	428.28	0	428.28

WYPF Breaches of the Law 2022 -2023

St Anne's (Bradford) Community Services	18/02/2023	13/03/2023	924.95	868.3	1,793.25
Turning Point	18/02/2023	16/03/2023	168.69	0	168.69
Bradford Diocesan Academies Trust	18/02/2023	31/03/2023	5863.35	13275.78	19,139.13
Interaction and Communication Academy Trust	18/02/2023	24/02/2023	408.64	740.36	1,149.00
Leodis Academies Trust	18/02/2023	17/03/2023	7609	21817.04	29,426.04
SBFM Limited (Bradford College)	18/02/2023	10/03/2023	388.99	1570.26	1,959.25
Maxim Facilities Management Limited (Southfield Grange)	18/02/2023	06/03/2023	17.02	45.48	62.50
Maxim Facilities Management Ltd (Ireland Wood Primary School)	18/02/2023	06/03/2023	50.39	182.08	232.47
RFM Group Services Limited (Sandy Lane Primary School)	18/02/2023	No Payment	0	0	0.00
Atalian Servest (St John Fisher Catholic Academy)	18/02/2023	No Payment	0	0	0.00
Sodexo Ltd (Oasis Academy Lister Park)	18/02/2023	No Payment	0	0	0.00
Aspens Services Ltd (Northern Star Academies Trust)	18/02/2023	No Payment	0	0	0.00
Enviroserve (St Pauls Primary School)	18/02/2023	No Payment	0	0	0.00
Midshire Signature Services Ltd (Guseley School)	18/02/2023	No Payment	0	0	0.00
Mellors Catering Services Ltd (Baildon Glen Primary School)	18/02/2023	No Payment	0	0	0.00
Bradford Children and Families Trust Ltd	18/02/2023	No Payment	0	0	0.00
Enviroserve (Allerton Primary)	18/02/2023	No Payment	0	0	0.00

Ryhill Parish Council	18/03/2023	30/03/2023	47.01	94.02	141.03
Turning Lives Around	18/03/2023	28/03/2023	905.21	0	905.21
Affinity Trust	18/03/2023	10/05/2023	434.12	0	434.12
Creative Support Limited	18/03/2023	23/03/2023	93.92	0	93.92
Interaction and Communication Academy Trust	18/03/2023	24/03/2023	408.64	740.36	1,149.00
SBFM Limited (Bradford College)	18/03/2023	31/03/2023	388.26	1238.75	1,627.01
RFM Group Services Limited (Sandy Lane Primary School)	18/03/2023	No Payment	0		0.00
Atalian Servest (St John Fisher Catholic Academy)	18/03/2023	No Payment	0		0.00
Sodexo Ltd (Oasis Academy Lister Park)	18/03/2023	11/04/2023			13538.34
Aspens Services Ltd (Northern Star Academies Trust)	18/03/2023	No Payment	0		0.00
Enviroserve (St Pauls Primary School)	18/03/2023	No Payment	0		0.00

WYPF Breaches of the Law 2022 -2023

Midshire Signature Services Ltd (Guiseley School)	18/03/2023	No Payment	0		0.00
Mellors Catering Services Ltd (Baildon Glen Primary School)	18/03/2023	No Payment	0		0.00
Bradford Children and Families Trust Ltd	18/03/2023	No Payment	0		0.00
Enviroserve (Allerton Primary)	18/03/2023	No Payment	0		0.00

St Anne's Community Services	19/04/2023	16/05/2023	685.52	3332.33	4,017.85
Aspire-Igen Group Ltd	19/04/2023	25/04/2023	856.35	3066.56	3,922.91
Turning Lives Around	19/04/2023	05/05/2023	869.92	0	869.92
Hepworth Gallery Trust	19/04/2023	10/05/2023	962.23	1411.24	2,373.47
St Anne's (Bradford) Community Services	19/04/2023	16/05/2023	730.85	690.18	1,421.03
Sitlington Parish Council	19/04/2023	26/04/2023	219.23	889.73	1,108.96
SBFM Limited (Bradford College)	19/04/2023	26/04/2023	353.61	1427.8	1,781.41
RFM Group Services Limited (Sandy Lane Primary School)	19/04/2023	No Payment			0.00
Atalian Servest (St John Fisher Catholic Academy)	19/04/2023	No Payment			0.00
Aspens Services Ltd (Northern Star Academies Trust)	19/04/2023	No Payment			0.00
Enviroserve (St Pauls Primary School)	19/04/2023	No Payment			0.00
Midshire Signature Services Ltd (Guiseley School)	19/04/2023	No Payment			0.00
Mellors Catering Services Ltd (Baildon Glen Primary School)	19/04/2023	No Payment			0.00
Bradford Children and Families Trust Ltd	19/04/2023	No Payment			0.00
Enviroserve (Allerton Primary)	19/04/2023	No Payment			0.00

Enviroserve (Priestley Academy)

Enviroserve joined WYPF in in March 2021 however entry was backdated to February 2020. There was some confusion over the start date and the process at WYPF has now been improved. All employee contributions amounting to £19,573.20 were received by the Fund on 15 Feb 2023. Outstanding Employers contributions will be paid in monthly instalments.

WYPF Breaches of Law 2023-2024

Date	Category (eg administration, contributions, funding, investments)	Pensions Regulator code of practice paragraph	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
See schedule below	Administration Maintaining contributions	147	<p>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.</p> <p>Please see schedule below for details of employers who failed to make payment by the appropriate date.</p>	Contributions not received by the scheme within the prescribed timescales	<p>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.</p> <p>Continuing Action: Employers are closely monitored. Records of each employer who fail to make payment each month are maintained.</p>	Not reported		All outstanding payments are chased up

WYPF Breaches of the Law 2023 -2024

Employer	Date due	Date Paid	Employees' contributions	Employers' contributions	Total Value of late payment
Micklefield Parish Council	19/05/2023	19/06/2023	91.38	266.26	357.64
Ackworth Parish Council	19/05/2023	26/05/2023	555.59	1748.84	2304.43
Castleford Academy Trust	19/05/2023	26/05/2023	11274.10	30987.67	42261.77
Creative Support Limited	19/05/2023	21/06/2023	98.19	0	98.19
Mellors Catering Services Ltd (Cavendish Primary)	19/05/2023	23/05/2023	92.89	97.95	190.84
Mellors Catering Services Ltd (WRAT)	19/05/2023	23/05/2023	499.51	1962.39	2461.90
Mellors Catering Services (Share MAT)	19/05/2023	23/05/2023	1040.36	4290.99	5331.35
Mellors Catering Services Limited (Exceed Academies Trust)	19/05/2023	23/05/2023	348.77	1536.72	1885.49
Mellors Catering Services Limited (Heckmondwike Grammar School)	19/05/2023	23/05/2023	490.87	1647.80	2138.67
Mellors Catering Services Limited (Priestley Academy Trust)	19/05/2023	23/05/2023	749.55	2112.13	2861.68
Mellors Catering Services Limited (Appleton Academy)	19/05/2023	23/05/2023	526.10	1450.63	1976.73
Mellors Catering Services Limited (Elevate MAT)	19/05/2023	23/05/2023	67.06	241.40	308.46
Mellors Catering Services Limited (Star Academies)	19/05/2023	23/05/2023	406.66	1261.23	1667.89
Ryhill Parish Council	19/05/2023	No contributions received			
Northorpe Hall Child and Family Trust	19/05/2023	No contributions received			
St Anne's Community Services	19/05/2023	No contributions received			
Meltham Town Council	19/05/2023	No contributions received			
St Anne's (Bradford) Community Services	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (Whetley)	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (Wakefield	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (Holy Trinity Primary)	19/05/2023	No contributions received			

WYPF Breaches of the Law 2023 -2024

Carroll Cleaning Company Ltd (Birkenshaw Primary School)	19/05/2023	No contributions received			
Bardsey Primary Foundation School	19/05/2023	No contributions received			
Carroll Cleaning Company Limited (Frizinghall)	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (Peel Park Primary School)	19/05/2023	No contributions received			
Taylor Shaw Limited (Gorse AT Elliott Hudson College)	19/05/2023	No contributions received			
Taylor Shaw Limited (Gorse Academies Trust)	19/05/2023	No contributions received			
Mellors Catering Services Limited (Pennine Academies Trust)	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (St Johns Wakefield)	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (Southmere Primary Academy)	19/05/2023	No contributions received			
Enviroserve (Priestley Academy Trust)	19/05/2023	No contributions received			
Taylor Shaw Ltd (Gorse Boston Primary School)	19/05/2023	No contributions received			
Carroll Cleaning Company Ltd (Saltaire Primary)	19/05/2023	No contributions received			
SBFM Limited (Bradford College)	19/05/2023	No contributions received			
RFM Group Services Limited (Sandy Lane Primary School)	19/05/2023	No contributions received			
Sodexo Ltd (Oasis Academy Lister Park)	19/05/2023	No contributions received			
Taylor Shaw (RKLT)	19/05/2023	No contributions received			
Enviroserve (Low Moor Primary School)	19/05/2023	No contributions received			
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/05/2023	No contributions received			
Enviroserve (St Pauls Primary School)	19/05/2023	No contributions received			
Mellors Catering Services Ltd (Baildon Glen Primary School)	19/05/2023	No contributions received			
Caterlink Limited (Abbey Multi Academy Trust)	19/05/2023	No contributions received			
Bradford Children and Families Trust Ltd	19/05/2023	No contributions received			

WYPF Breaches of the Law 2023 -2024

Enviroserve (Allerton Primary)	19/05/2023	No contributions received			
Caterlink Limited (Kettlethorpe High School)	19/05/2023	No contributions received			
I.S.S. Mediclean Ltd (Outwood Academy Freeston)	19/05/2023	No contributions received			
Compass Contract Services (Delta Academies Trust)	19/05/2023	No contributions received			
ICS Ltd (Outwood Academy Trust)	19/05/2023	No contributions received			
Caterlink Limited (Mackie Hill Primary School)	19/05/2023	No contributions received			
All Saints Primary School (Collaborative Learning Trust)	19/05/2023	No contributions received			
Mellors Catering Services Limited (Ashlands Primary School)	19/05/2023	No contributions received			
Betterclean Services (Carlton Academy Trust)	19/05/2023	No contributions received			
Harden Village Council	19/05/2023	No contributions received			
Turning Lives Around	19/06/2023	23/06/2023	923.18	0	923.18
Equans Services Ltd	19/06/2023	27/06/2023	8829.59	0	8829.59
Ryhill Parish Council	19/06/2023	No contributions received			
Northorpe Hall Child and Family Trust	19/06/2023	No contributions received			
Meltham Town Council	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Whetley)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Wakefield)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Holy Trinity Primary)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Birkenshaw Primary School)	19/06/2023	No contributions received			
Bardsey Primary Foundation School	19/06/2023	No contributions received			
Carroll Cleaning Company Limited (Frizinghall)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Peel Park Primary School)	19/06/2023	No contributions received			

WYPF Breaches of the Law 2023 -2024

Taylor Shaw Limited (Gorse AT Elliott Hudson College)	19/06/2023	No contributions received			
Taylor Shaw Limited (Gorse Academies Trust)	19/06/2023	No contributions received			
Mellors Catering Services Limited (Pennine Academies Trust)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (St Johns Wakefield)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Southmere Primary Academy)	19/06/2023	No contributions received			
Enviroserve (Priestley Academy Trust)	19/06/2023	No contributions received			
Taylor Shaw Ltd (Gorse Boston Primary School)	19/06/2023	No contributions received			
Carroll Cleaning Company Ltd (Saltaire Primary)	19/06/2023	No contributions received			
SBFM Limited (Bradford College)	19/06/2023	No contributions received			
RFM Group Services Limited (Sandy Lane Primary School)	19/06/2023	No contributions received			
Sodexo Ltd (Oasis Academy Lister Park)	19/06/2023	No contributions received			
Taylor Shaw (RKLT)	19/06/2023	No contributions received			
Enviroserve (Low Moor Primary School)	19/06/2023	No contributions received			
Bulloughs Cleaning Services Limited (Exceed Academies Trust)	19/06/2023	No contributions received			
Enviroserve (St Pauls Primary School)	19/06/2023	No contributions received			
Mellors Catering Services Ltd (Baildon Glen Primary School)	19/06/2023	No contributions received			
Caterlink Limited (Abbey Multi Academy Trust)	19/06/2023	No contributions received			
Bradford Children and Families Trust Ltd	19/06/2023	No contributions received			
Enviroserve (Allerton Primary)	19/06/2023	No contributions received			
Caterlink Limited (Kettlethorpe High School)	19/06/2023	No contributions received			
I.S.S. Mediclean Ltd (Outwood Academy Freeston)	19/06/2023	No contributions received			
Compass Contract Services (Delta Academies Trust)	19/06/2023	No contributions received			
ICS Ltd (Outwood Academy Trust)	19/06/2023	No contributions received			
Caterlink Limited (Mackie Hill Primary School)	19/06/2023	No contributions received			
All Saints Primary School (Collaborative Learning Trust)	19/06/2023	No contributions received			
Mellors Catering Services Limited (Ashlands Primary School)	19/06/2023	No contributions received			
Betterclean Services (Carlton Academy Trust)	19/06/2023	No contributions received			

WYPF Breaches of the Law 2023 -2024

Harden Village Council	19/06/2023	No contributions received			
------------------------	------------	---------------------------	--	--	--



Report of the Managing Director, West Yorkshire Pension Fund to the meeting of the Joint Advisory Group to be held on 27 July 2023.

G

Subject: Risk Management

Summary statement:

This report presents West Yorkshire Pension 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).

The JAG is asked to note and provide any comments it may have on the risk Policy and Strategy and any of the risks set out in the risk register.

EQUALITY & DIVERSITY:

Issues of Equality and Diversity are included within the body of the document.

Euan Miller
Managing Director

Portfolio:

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

Overview & Scrutiny Area:

1.0 SUMMARY

- 1.1 Risk should be eliminated, reduced, or controlled as far as possible. To achieve this WYPF will ensure that risk management is integral to the governance and management of the Fund at both strategic and operational levels.
- 1.2 WYPF's Risk Management Policy and Strategy establishes the process for implementing proactive risk management as part of the overall management of the pension fund.

2.0 BACKGROUND

- 2.1 Risk can be defined as the combination of the likelihood of an event occurring, and the level of impact on the Pension Fund's ability to achieve its objectives if it does occur.
- 2.2 Risk should be eliminated, reduced, or controlled as far as possible. To achieve this WYPF will ensure that risk management is integral to the governance and management of the Fund at both strategic and operational levels. The aim is to integrate risk awareness and management into both the processes and the culture to help ensure that the Fund's objectives are met.
- 2.3 WYPF's Risk Management Policy and Strategy establishes the process for implementing proactive risk management as part of the overall management of the pension fund. The purpose of risk management is to identify potential problems before they occur, so that risk handling activities may be planned and invoked as needed to mitigate adverse effects on achieving objectives. Risk management is a continuous, forward looking process that addresses issues that could endanger the achievement of critical objectives and includes the early risk identification through the collaboration and involvement of relevant stakeholders.
- 2.4 The risk register contained with the Risk Management Policy and Strategy sets out a number of risks which have been identified in relation to WYPF.

The structure of the attached report is as follows:

- | | | |
|-------|--|----------------|
| 2.2.1 | Categorisation of Risks | Pages 4 to 11 |
| 2.2.2 | The most important risks requiring continuing scrutiny | Pages 12 to 31 |
| 2.2.3 | The future review and revision of risks | Page 32 |
| 2.2.3 | The full list of identified active risks (inc. risks in 2.2.2 above) | Pages 33 to 47 |
- 2.5 Included in the risk register are details of the required management action/control needed to mitigate each of the most important risks identified.
 - 2.6 The risk register is regularly monitored by WYPF officers to ensure the report is up to-date and relevant in identifying risks in respect of both the current and future operation of WYPF.

3.0 Recent updates to Risk Register

3.1 Recent changes made to the Risk Register are:

- Risk No 8 (Failure to administer the scheme in line with regulations and policies) – The risk profile has changed from BIII to BII
- Risk No 49 – (Provision of IT services and equipment from CBMDC) - New risk added. This is rated as 'red'.

The other risk which is currently rated 'red' is:

- Risk 41 – Recruitment and retention of experienced staff.

3.2 A matrix summarising the likelihood and materiality assessment of each of the risks can be found on page 11 of Appendix A.

4.0 OTHER CONSIDERATIONS

None

5.0 FINANCIAL & RESOURCE APPRAISAL

Sufficient budget is required to ensure adequate resources are available to meet the actions/controls set out in the risk register. This is factored into the annual budget setting process.

6.0 RISK MANAGEMENT AND GOVERNANCE ISSUES

Identified in Appendix A.

7.0. LEGAL APPRAISAL

None

8.0. OTHER IMPLICATIONS

8.1 SUSTAINABILITY IMPLICATIONS

None

8.2 GREENHOUSE GAS EMISSIONS IMPACTS

None

8.3 COMMUNITY SAFETY IMPLICATIONS

None

8.4 HUMAN RIGHTS ACT

None

8.5 TRADE UNION

None

9.0. NOT FOR PUBLICATION DOCUMENTS

None

10. RECOMMENDATIONS

The Joint Advisory Group is asked to note and provide any comments it may have on the risk Policy and Strategy and any of the risks set out in the risk register.

11. APPENDICES

Appendix A – Risk Management Report

12. BACKGROUND DOCUMENTS

Appendix A

WYPF Departmental Risk Management and Opportunities Report

Introduction

WYPF's Risk Management Plan establishes the process for implementing proactive risk management as part of the overall management of the pension fund. The purpose of risk management is to identify potential problems before they occur, so that risk handling activities may be planned and invoked as needed to mitigate adverse impacts on achieving objectives. Risk management is a continuous, forward looking process that addresses issues that could endanger the achievement of critical objectives and includes the early risk identification through the collaboration and involvement of relevant stakeholders.

WYPF have identified risks which have been rated and plotted on a matrix and a risk tolerance line agreed to prioritise the risks. The risk matrix measures each risk for its likelihood and impact in terms of its potential for affecting the ability of WYPF to achieve its objectives.

The process

Risk identification

The first of five stages of the risk management cycle require risk identification. This has been achieved through discussion with senior Managers and covers 15 categories of risk as shown below.



Identified risks

Economic

Scenario	Short name
1	Valuation registers a deficit in the pension fund
2	Reduction in proportion of active members
16	Lack of Admissions and Guarantors

Political

Scenario	Short name
3	Bradford initiatives
4	Central Government regionalisation agenda

Technological

Scenario	Short name
5	Improved Pensions and Investments systems are not developed and adopted
6	Lack of information sharing with employers
7	Current software providers pull out of the market or are taken over
39	Disaster recovery
40	Internal Fraud
42	Loss of sensitive personal data
45	Cyber Crime
49	Provision of IT services and equipment from CBMDC

Legislative/Regulatory

Scenario	Short name
8	Failure to administer the scheme in line with regulations and policies
25	Failure to adhere to relevant statutory regulations and guidance.
46	Compliance with GDPR requirements
48	Failure to include all required information issued to members under disclosure regulations

People

Scenario	Short name
9	Greater level of support expected by district councils than other employers
41	Recruitment and retention of experienced staff
43	Key staff on long term absence
44	Access to sensitive/personal data by staff

Financial

Scenario	Short name
10	Finance aren't always involved in other sections' decision making processes
12	External Fraud
13	Admin costs increase above budgeted costs
15	Prompt payment of pensions on the due date.
17	Failure to obtain ISAE 3402 reports from Hedge Fund and Currency Fund Managers

Physical

Scenario	Short name
----------	------------

Competitive

Scenario	Short name
11	National and local KPI's are not being met

Customer

Scenario	Short name
14	Customer Satisfaction below acceptable levels
47	Failure to communicate adequately with scheme members

Social

Scenario	Short name

Partnership / Contractual

Scenario	Short name
18	Provision of shared services to Fire Authorities and other LGPS Funds

Governance

Scenario	Short name
19	The IAP's role within the council is not clearly defined.
20	The IAP's terms of reference are not reviewed regularly, do not meet best practice and/or are not fit for purpose.
21	Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.
22	The IAP's membership is not chosen with reference to members' investment skills/knowledge.
23	Members take decisions without due regard to advice, along party political lines or with a personal agenda.
24	Independent Advisors not suitably qualified or diverse. Advice of poor quality or not tailored to WYPF.

35	Custody arrangements may not be sufficient to safeguard Pension Fund’s assets.
36	Stock lending counterparty failure.
37	Internal Investment Management may not have appropriate control frameworks in place to protect Pension Fund assets.
38	Pension Fund investments may not be accurately valued.
50	Focus on investments means consequential non-investment risks are overlooked

Investment Strategy

Scenario	Short name
26	Strategic benchmark not set to meet the return required by the actuarial valuation.
27	Lack of asset class diversification in the strategic benchmark.
28	Investment returns achieved fall below that required by the actuarial valuation.
29	Cash resources insufficient to meet short term liabilities.

Responsible Investment

Scenario	Short name
30	Policies not linked to sustainability goals and actions focussed on a small number of issues e.g. fossil fuels
31	Measurement and reporting of Engagement is not performed, unfocussed or insufficient.
32	Climate Risks identified
33	Lack of consistent data (e.g. on Green House Gas emissions) for all asset classes hinders understanding of climate risks.
34	Lack of focus or information means the investment opportunities of Climate change are overlooked or not taken.

Risk analysis, profile and tolerance

The risks are assessed for impact and likelihood and plotted onto a matrix. The impact is measured as being negligible, marginal, critical or catastrophic. The likelihood is measured as being almost impossible, very low, low, significant, high or very high.

Appendix 1 shows all the risks that are rated on the profile.

The top risks facing WYPF are identified as:

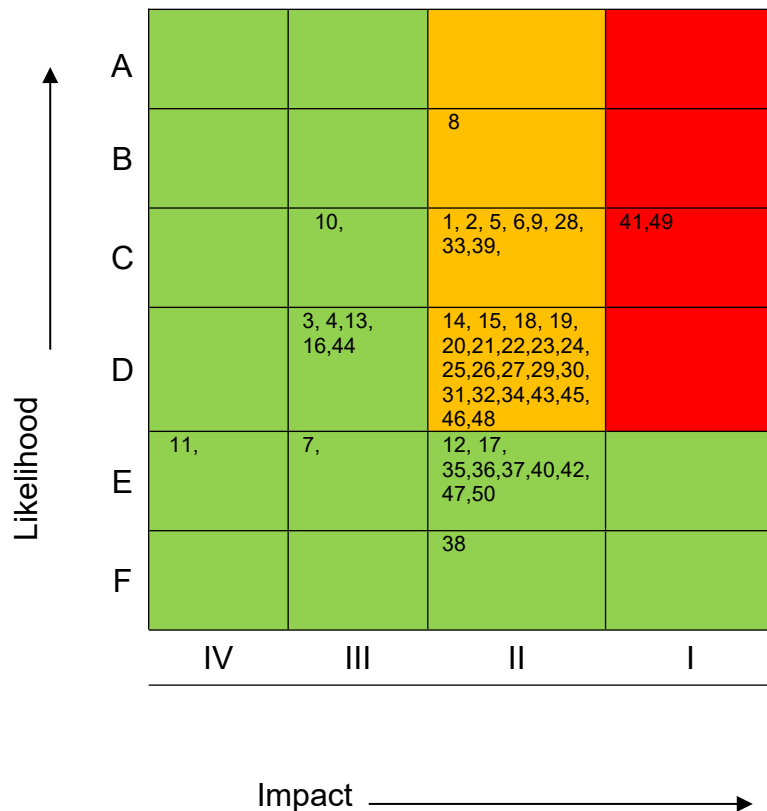
Scenario	Short name
1	Valuation registers a deficit in the pension fund
2	Reduction in proportion of active members
5	Improved Pensions and Investments systems are not developed and adopted
6	Lack of information sharing with employers
9	Greater level of support expected by district councils than other employers
14	Customer Satisfaction below acceptable levels
15	Prompt payment of pensions on the due date.
18	Provision of shared services to Fire Authorities and other LGPS Funds
19	The IAP's role within the council is not clearly defined.
20	The IAP's terms of reference are not reviewed regularly, do not meet best practice and/or are not fit for purpose.
21	Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.
22	The IAP's membership is not chosen with reference to members' investment skills/knowledge.
23	Members take decisions without due regard to advice, along party political lines or with a personal agenda.
24	Independent Advisors not suitably qualified or diverse. Advice of poor quality or not tailored to WYPF.
25	Failure to adhere to relevant statutory regulations and guidance.

26	Strategic benchmark not set to meet the return required by the actuarial valuation.
27	Lack of asset class diversification in the strategic benchmark.
28	Investment returns achieved fall below that required by the actuarial valuation.
29	Cash resources insufficient to meet short term liabilities.
30	Policies not linked to sustainability goals and actions focussed on a small number of issues e.g. fossil fuels
31	Measurement and reporting of Engagement is not performed, unfocussed or insufficient.
32	Climate Risks identified
33	Lack of consistent data (e.g. on Green House Gas emissions) for all asset classes hinders understanding of climate risks.
34	Lack of consistent data (e.g. on Green House Gas emissions) for all asset classes hinders understanding of climate risks.
35	Custody arrangements may not be sufficient to safeguard Pension Fund's assets.
36	Stock lending counterparty failure.
37	Internal Investment Management may not have appropriate control frameworks in place to protect Pension Fund assets.
38	Pension Fund investments may not be accurately valued.
39	Disaster recovery
40	Internal Fraud
41	Recruitment and retention of experienced staff
42	Loss of sensitive personal data
43	Key staff on long term absence
45	Cyber Crime
46	Compliance with GDPR requirements
49	Provision of IT services and equipment from CBMDC

To determine the section's appetite to risk, each of the squares on the matrix are considered to decide if WYPF are prepared to live with a risk in that box or if it needs to be actively managed. This set a theoretical tolerance line. Those risks above the line requiring further scrutiny and those below the line having sufficient control in place. The tolerance line is agreed at risks with a low or greater likelihood and a critical impact.

As part of a regular review, 50 risks have been identified and framed into scenarios. The risks identified have been rated, 32 of these above their acceptable tolerance level, 18 below the tolerance line. The results are shown on the following risk profile.

WYPF Risk profile – July 2023



- Likelihood:**
- A Very high
 - B High
 - C Significant
 - D Low
 - E Very low
 - F Almost impossible

- Impact:**
- I Catastrophic
 - II Critical
 - III Marginal
 - IV Negligible

Risk management and monitoring

Management Action Plans (MAPs) frame the risk management actions that are required. They map out the target for each risk i.e. to reduce the likelihood, impact or both. They also include targets and critical success factors to allow the risk management action to be monitored.

The risk assessment identified that significant levels of activity are required to manage the risks. Many of the key risks require immediate attention and it is important that having identified risks that could have critical impact, that the required action is undertaken.

MAP's were then agreed for those risks above the tolerance line and are specified below:

Management Action Plans

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
1	C II	<p>Valuation registers a deficit in the Fund.</p> <p>Triennial Valuation undertaken using assumptions agreed with the Fund Actuary. If the financial assumptions are not borne out in practice, because of a range of reasons not least :</p> <ul style="list-style-type: none"> • Falls in expected investment returns • Fall in markets values of assets • Rising inflation • members living longer <p>the funding position of the fund could deteriorate</p> <p>Deteriorating funding positions could result in an increased employers deficit contributions to eliminate deficit</p>	<p>Training for Joint Advisory, Panel and Board members provided by the Actuary at the beginning of the Triennial Valuation exercise to aid assumption decision making</p> <p>Due to potentially decreasing payroll deficit amounts are set as monetary amounts at the valuation</p> <p>Recovery period for deficit amounts assessed at each valuation to eliminate deficit within 22 years</p>	<p>Monitoring of closed employers</p> <p>Quarterly funding updates provided by Funds Actuary</p>	Managing Director WYPF	Funding position to remain within 90% to 110% range	triennial	Every three years - 31 March 2025	

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
2	C II	Reduction in proportion of active members Fund becomes more mature due to ageing membership and reduction in active members by outsourcing.	Publicise the scheme and the benefits of membership in regular newsletters, website, ABS's, annual meetings as detailed in the Funds Communication Policy. Introduction of Auto Enrolment has increased membership. Employer base nationwide – employers 400+ including 5 district councils.	ISS is reviewed to ensure it is consistent with maturity profile of the Fund Trends in employer outsourcing and leavers and new starters monitored	Chief Investment Officer Assistant Director (Finance, Administration and Governance)	Fund continues to show as positive cashflow after taking into account investment incom	Annually	Ongoing	Increase membership by publicising the scheme and the benefits of membership in regular newsletters, website, ABS's, annual meetings.
5	D II	Pensions Admin System will not lead to improvements, efficiency and cost savings, or developments do not meet WYPF requirements.	Regular account meetings with Civica Senior Management. Representation on various user groups: <ul style="list-style-type: none"> • Civica user group • LGPS group • Payroll user group 	Ensure regular attendance and report back from the User Groups/Meetings as necessary.	Assistant Director (Finance, Administration and Governance)	Improved systems, costs savings, better reporting, employer internet, member internet facilities available, increase the number of UPM auto calculations Develop product that meets WYPF requirements	Quarterly	Ongoing	Regular market testing to see if better systems on the market, Effective and efficient system, with scalable capacity to support shared services.

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
6	C II	Lack of information sharing with employers	Enhancements to UPM2 are continuing. Monthly Returns expanded to increase the information supplied electronically	Develop employers web site	Assistant Director (Finance, Administration and Governance)/ Head of Finance	Increase in electronic medium of info sharing Improvements in KPI's 1, 4a, 4b, 6 and 8	Annual	Ongoing	Develop Employers' website to use that as the main medium for communication. Build scalable system capacity, improved vfm for shared services.
8	B II	Failure to administer the scheme in line with regulations and policies	Technical Services Manager reviews impending legislation changes and MSM's assess impact on their areas of responsibility. Project teams set up to assess major legislation changes.	Management Review Meetings will monitor workloads and progress of any changes to be implemented.	Managing Director, Assistant Director (Finance, Administration and Governance)/ Head of Finance	Any changes implemented in line with legislation timescales.	At each MR meeting	McCloud Remedy Autumn 2023; Pensions Dashboard Sept 2024	Increase in member satisfaction levels.
9	C II	Greater level of support required / expected by some employers	Employer Training courses available or charge for the additional work	Monitor number and type of requests for support	Assistant Director (Finance, Administration and Governance)	Reduce the number of non standard requests	Monthly	Ongoing	Provide more online training. Could be offered to other LGPS funds.

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
14	D II	Customer satisfaction drops below acceptable levels	Newsletters issued regularly to members, Monthly info. update to employers ABS's to current and deferred members Member Annual meeting Employer Annual meeting Large employer group meeting Seminars for employers Leaver questionnaires Employer satisfaction questionnaires Complaints procedures Web site Published ISS Published FSS Contact Centre Member of Plain English Campaign 'Pensions Administration Strategy' document issued to each employing authority participating in the Fund. Governance compliance statement and Communications policy published.	Revise ISS each year Review annually: <ul style="list-style-type: none"> • Pensions Administration Strategy, • Communication Strategy 	Assistant Director (Finance, Administration and Governance) JAG	Reduction in complaints Reduction in IDRPs cases. Attract new administration partners to the Fund More timely info from employers, Improved employer satisfaction KPI	Annual	Annually	Attract new business to the Fund

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
15	D II	Prompt payment of pensions on the due date.	An annual timetable is prepared showing key dates when stages of payroll have to be done by to ensure payment is made on pay date	Regular review of payroll timetable	Assistant Director (Finance, Administration and Governance)	<ul style="list-style-type: none"> • Pensioners not getting paid on time causes financial hardship • Damage to WYPF reputation • Increase in number of complaints. Callers/Visitors 	Annual	Annually	
18	D II	Provision of shared services to Fire Authorities and other LGPS Funds	Governance arrangements in place (regular client meetings, Collaboration Board, attendance at Pensions Committee).	Regular shared service meetings and Collaboration Board meetings with LPF, Barnet and LB of Hounslow	Assistant Director (Finance, Administration and Governance)	Business as usual with no impact on WYPF membership and service	Annually	Annually	Provide service for other LGPS funds and fire authorities

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
19	D II	The IAP's role within the council is not clearly defined. Detrimental decisions made in relation to investments. Council constitution sets out the delegations, and the approved Statement of General Approach to the Management of Pension Fund Investments sets out the IAP role and is provided to Members, who agree to abide by them.	Control is adequate	Regular review of constitution and Statement of General Approach to the Management of Pension Fund Investments	City Solicitor Managing Director	Documents up to date.	Annual and when regulation change.	May	
20	D II	The IAP's terms of reference are not reviewed regularly, do not meet best practice and/or are not fit for purpose. Detrimental decisions made in relation to investments. Annual Review of delegations.	Control is adequate, annual review when Governance Advisor reports on IAP Governance Arrangements.	Director to consider changes required following receipt of Governance review being undertaken.	City Solicitor Managing Director	Documents up to date.	Annual and when regulation change.	May	

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
21	D II	<p>Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively. Members fail to act in the best interests of the fund.</p> <p>A training policy is in place which requires Members to receive continuing training and all new Members to attend the SAB training course. The IAP membership includes Trade Union representatives, active and retired representatives, Independent Advisors and the Managing Director to maintain continuity of knowledge and experience over time. The Fund subscribes to relevant</p>	Control is adequate	Managing Director to facilitate training arrangements and to report to IAP as required.	<p>Managing Director</p> <p>IAP Members</p>	Training and other records kept up to date.	Ongoing		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
		<p>professional bodies e.g. LAPFF, NAPF and representatives attend major conferences</p> <p>The IAP is very experienced and knowledgeable and monitors the performance of the Fund</p>							
22	D II	<p>The IAP's membership is not chosen with reference to members' investment skills/knowledge. Members unable to fully participate in the IAP decisions.</p> <p>As per risk 3 above.</p>	Control is adequate	Managing Director to facilitate training arrangements and to report to IAP as required.	<p>Managing Director</p> <p>IAP Members</p>	Training and other records kept up to date.	Ongoing		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
23	D II	Members take decisions without due regard to advice, along party political lines or with a personal agenda. Sub-optimal or inappropriate decisions impact investment returns and in due course funding levels, increasing contributions. All decisions of the IAP are subject to the Governance and Audit Committee's approval, where decisions not made in the best interests of the Fund may be overruled.	Control is adequate.	Managing Director to raise any concerns with Independent Advisors and report to Governance and Audit Committee as required.	Managing Director	Decisions to be in the best interest of the Fund.	Quarterly		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
24	D II	Independent Advisors not suitably qualified or diverse. Advice of poor quality or not tailored to WYPF. Detrimental decisions made in relation to investments. Advisors appointed after a competitive process for a maximum period of 9 years with triennial reviews and a 12 month probationary period.	Control is adequate.	Advisor selection process followed. Advisors to confirm appropriate Continuing Professional Development during appointment.	Managing Director	CPD confirmation obtained.	Annual.		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
25	D II	<p>Failure to adhere to relevant statutory regulations and guidance. Fund not invested in accordance with requirements. Reputational damage to fund within sector and investment markets.</p> <p>An established process exists to inform the IAP and the Investment team of regulatory requirements and any changes to these.</p> <p>Sufficient resources are in place to implement any changes.</p> <p>Membership of relevant professional groups ensures any potential changes in statutory requirements are known before the implementation dates</p>	Control is adequate.	<p>Technical team to flag investment regulatory changes proposed at consultation stage. Investment team to maintain contacts within the sector to identify non LGPS specific regulatory changes.</p>	Assistant Directors	Full compliance with all regulatory requirements.	Ongoing		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
26	D II	Strategic benchmark not set to meet the return required by the actuarial valuation. Funding shortfall has to be made good by employer contribution increases. Benchmark is reviewed by IAP after each valuation, taking appropriate advice, including expected volatility for each asset class, to ensure the target return is achieved with an acceptable level of portfolio volatility.	Control is adequate.	Benchmark reviewed after each actuarial valuation.	IAP Managing Director Chief Investment Officer	Fund maintains a consistent high level of funding	Triennial	Receipt of 2022 valuation	
27	D II	Lack of asset class diversification in the strategic benchmark. Increased risk of a funding shortfall due to excessive portfolio volatility. As per risk 12 above.	Control is adequate.	Benchmark reviewed after each actuarial valuation.	IAP Managing Director Chief Investment Officer	Fund maintains a consistent high level of funding.	Triennial	Receipt of 2022 valuation	

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
28	C II	Investment returns achieved fall below that required by the actuarial valuation. Funding shortfall has to be made good by employer contribution increases. Actuarial return is based on a multi-decade expectation of return, and the benchmark is reviewed every three years and adjusted appropriately to achieve the required return.	Control is adequate.	Actuarial return agreed with actuary at each valuation date to achieve full funding on the 22 year horizon.	IAP Managing Director	Fund maintains a consistent high level of funding.	Triennial	Receipt of 2022 valuation	

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
29	D II	<p>Cash resources insufficient to meet short term liabilities. Fund has to sell investment at an inopportune time, risking a loss of value.</p> <p>Strategic benchmark has a cash allocation sufficient for day to day running of the fund, and the cash returns of the portfolio are managed to ensure all commitments can be met on due date.</p>	Control is adequate.	Cash resources and commitments managed to ensure liabilities are met on due date.	IAP Managing Director Head of Finance Chief Investment Officer	Cash resources maintained at an appropriate level.	Ongoing		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
30	D II	Policies not linked to sustainability goals and actions focussed on a small number of issues e.g. fossil fuels. The fund fails to recognise and manage other risks and is exposed to undue loss of value or volatility.	Control is adequate.	ESG policies are based on a set of overarching environmental, social and governance principles which guide our processes and goals.	IAP	Fund assets safeguarded and returns achieved.	Ongoing		
31	D II	Measurement and reporting of Engagement is not performed, unfocussed or insufficient. Actions not agreed where engagement has failed. Engagement is unsuccessful and does not promote change.	Control is adequate.	WYPF will engage with its investments, and will work with other like-minded shareholders to increase the impact where necessary. It will exercise its voting rights and publicly report its voting record quarterly.	Managing Director, Assistant Directors and Investment Managers.	Fund assets safeguarded and returns achieved.	Ongoing		Improved corporate governance following engagement results in better company performance.

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
32	D II	Climate Risks identified - Green House Gas Emissions - Transition risk - physical risks use of scarce resources e.g. minerals, water. The fund fails to recognise and manage physical and transition risks due to focus on emissions and is exposed to undue loss of value or volatility.	Control is adequate.	We receive some external assurance: <ul style="list-style-type: none"> • Trucost's Carbon annual footprinting exercise attempts to identify potential stranded assets in the fossil fuel portfolio. • Our Property portfolio managers report the EPC ratings for assets in their portfolios. We believe that inefficient buildings, which will not legally be permitted to be rented, currently presents the greatest risk of stranded assets. We continue to monitor this risk. 	Managing Director, Assistant Directors and Investment Managers.	Fund assets safeguarded and returns achieved.	Ongoing		Improved corporate governance following engagement results in better company performance.

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
33	C II	Lack of consistent data (e.g. on Green House Gas emissions) for all asset classes hinders understanding of climate risks. Managers unable to assess carbon intensity of current portfolio, set metrics and targets and measure progress towards goals in accordance with IAP policy.	Control depends on quality of external data.	An ESG manager has been appointed to research the available data sets to ensure WYPF can access appropriate data to assess ESG risks.	Managing Director, Assistant Directors and ESG Manager.	Fund assets safeguarded and returns achieved.	Ongoing		
34	DII	Lack of focus or information means the investment opportunities of Climate change are overlooked or not taken. The fund fails to recognise opportunities to add value presented by the transition to a low carbon economy.	Control is adequate.	Managers will continue to seek opportunities to invest in companies which will benefit from the transition to a low carbon economy, and report these to the IAP regularly.	Managing Director, Assistant Directors and Investment Managers	Fund assets safeguarded and returns achieved.	Ongoing		Investment in developing sectors diversifies the portfolio and improves returns.

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
39	C II	Disaster recovery	Disaster recovery plan in place with Bradford Council for pensions and investments systems (refer to Business Continuity Plan).	Staff enabled to work from home with access to all systems.	Assistant Managing Director (Finance, Administration and Governance)	Full disaster recovery plan in place which enables business to operate as usual during any disaster	Annual	Ongoing	System resilience, essential in providing 3 rd party services – shared services.
41	C I	Recruitment and retention of experienced staff	Career grades in place for majority of staff to encourage professional training. Training Plans in place for all staff. Regular review of structure. Restructure of WYPF completed September 2020	Monitor salaries in both public and private sector. Increase flexible working to retain staff, home working available to all staff. Looking at 2 to 3 days in the office.	Managing Director Assistant Director (Finance, Administration and Governance) Director of HR	Motivated and responsive staff Minimal staff turn over No breaches of time limits or maladministration issues	6 monthly	Ongoing	Carry out a periodical review of salaries and grades. Attractive flexible working, home working and mobile working
43	D II	Key staff on long term absence	Document all procedures to ensure cover is available from other staff.	Monitor absences and take action at key dates. Delegation and succession planning.	Senior Managers	No effect on service provision	As required	As required Annually	A register of casual staff is maintained to provide cover at short notice.

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/ control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
45	D II	Threat of cyber crime	Adequate	Regular review by Bradford ICT of Firewalls, anti-virus programs to identify latest threats. WYPF also carry out penetration testing on the Fund's website and secure portal. Staff training / awareness, increased IT equipment / asset control. Routine blog to employers and members to raise cyber crime awareness	Assistant Director (Finance, Administration and Governance)	Business as usual with no impact on data or services	Ongoing	Ongoing	Safeguard and protect WYPF data and systems.
46	D II	Compliance with GDPR requirements	Review letters/internal processes and procedures, Privacy statements, data share agreements, contracts with 3 rd parties, Security breach process, website. Use of Galaxkey for secure emails, Use of secure portals to share information with key stakeholders, mandatory data protection training for staff. Accreditation to ISO 27001	Security policies in place, Mandatory Training for Staff	Assistant Director (Finance, Administration and Governance)	A reduction in security breaches	Ongoing		

No	Rating	Risk description and Action / Controls already in place	Adequacy of action/control to address risk	Required management action/ control	Responsibility for action	Critical success factors & KPI's	Review frequency	Key dates	Opportunity
48	D II	Failure to include all required information issued to members under disclosure regulations	Letters updated and checked regularly	Working instructions updated, workflow processes updated	Head of Employer Relations and Compliance	Meet disclosure time limits	Ongoing		
49	C1	Provision of IT services and equipment from CBMDC	Reduce connectivity issues, provide IT equipment in a timely manner.	Regular meetings with CBMDC Client Manger, escalation process in place, request equipment ASAP to give CBMDC as much notice as possible.	Managing Director Assistant Director (Finance, Administration and Governance)	No connectivity issues, timely receipt of IT equipment	Ongoing		

The risks identified but below their acceptable tolerance level require no further action at this time.

Future review and revision of risks

It is important that this work is monitored and measured and that management action plans are reassessed regularly to ensure that progress is being made and the targets can be met. In addition, each risk is owned where possible by one member of the management team to ensure that there is high level support, understanding and monitoring of the work that is required as part of the plans.

The management team have agreed that the timescale for re-visiting these risks in order to assess if they are still relevant and to identify new scenarios should be quarterly at Management Review.

Appendix 1

Risks register

PENSIONS ADMINISTRATION RISKS

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
1	C II	Economic	Valuation registers a deficit in the pension fund	Rise in contribution rates to eliminate deficit. Growth is built into the medium term financial plan, stepped increases for low to medium risk employers as per FSS	Investment returns < actuarial and FSS assumptions Rise in longevity (Funding level remains the main comparator)	<ul style="list-style-type: none"> • Contribution rate rises • Budget cuts and/or council tax increases • Bad publicity for employers • Bad publicity for WYPF • Bad publicity for LGPS • Increased Central Government pressure for changes to LGPS • Admitted bodies review provision of LGPS to employees • Admitted bodies to WYPF seek reduced rates with other LGPS providers • Political impact • Customer complaints about 'pension pay-offs'
2	C II	Social/Economic	Reduction in proportion of active members	Fund becomes more mature due to ageing and reduction in active members by outsourcing. Client base nationwide – employers 190 including 5 district councils.	Reducing take up of admitted body status Continuing outsourcing	<ul style="list-style-type: none"> • Fund stop showing net inflows of cash • Investment strategy no longer consistent with maturity profile • FSS and ISS become out of date • Less time to make up any deficits so more unstable contribution rates

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
3	D III	Political	Bradford initiatives	<p>The fund is not autonomous and decision taken at a high level in Bradford and for Bradford could risk the efficiency of our business. the imposition of what we perceive to be unsuitable regimes upon WYPF by CBMDC can undermine the performance of the section and forcibly distract WYPF management from their prime responsibilities for long periods. Partnerships entered into on WYPF's behalf by CBMDC may not be suitable for WYPF's needs.</p> <p>Initiatives divert management time from core activities</p>	WYPF as a financial service provider and not a LG service provider not recognised or considered	<ul style="list-style-type: none"> • Loss of control over budget spend • Imposition of "Bradford" systems inappropriate to WYPF • Politicises JAG and Investment Panel • Service delivery reduced • Diversion from core activity

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
4	D III	Political	Central Government regionalisation agenda	<p>Possible regionalisation of pension funds</p> <p>Could be asked to compete against other LG Funds or the private sector</p>	Becomes Government policy	<ul style="list-style-type: none"> • Admin costs rise to unacceptable levels • Culture change • Cost pressure • Fail to become provider for Yorkshire region • Staff relocation • Staff redundancies • Bad publicity for Bradford • Become provider for Yorkshire • Increased resource requirement • Good publicity
5	D II	Technological	Improved Pensions and Investments systems are not developed and adopted	Increased WYPF and Civica resources required to develop and adopt system.	Major parts of the system do not work efficiently or accurately.	<ul style="list-style-type: none"> • E-government cannot be supported • Increased time and support needed for number crunching • Less added value support
6	C II	Technological	Lack of information sharing with employers	<p>Most information from employers is still paper based no direct feeds from their payroll and HR to the UPM system.</p> <p>Requires Pensions to work closely with employers and the Bfd-I partnership to ensure contribution returns are both correct and received on time to enable details to be provided to the Actuary for the Valuation and for Annual Benefit Statements.</p>	<p>Don't progress direct input or do but on a piecemeal basis</p> <p>Deadlines not met</p>	<ul style="list-style-type: none"> • People can't access vital information in a timely manner • Sustainability issues • Transcription errors • Delays • Invalid employer contribution rates set • Invalid ABS's sent to members • ABS's not sent to members • Non compliance • Bad publicity • Key objective not met

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
7	E III	Technological	Current software providers pull out of the market or are taken over	Current providers –Civica	Civica not that well established in LG pensions sector but are starting to win LG business.	<ul style="list-style-type: none"> • other systems available but enforced change time consuming • pressure on staff
8	B II	Legislative/Regulatory	Failure to administer the scheme in line with regulations and policies	Lots of legislative/regulatory change resulting in additional work. Changes to Regs must be made aware to members, employers and staff. The service endeavours to respond but is balancing resources. The unit has given a high commitment to professional training to its staff which may not be maintainable	Insufficient resources to respond to legislative/regulatory changes adequately	<ul style="list-style-type: none"> • Benchmarking costs rise • Increased pressure on staff • Don't adopt legislation • Service criticised • Duties and responsibilities not fully adopted • Ombudsman cases • Incorrect payment of benefits • Growing complexity of administration • Risk of non compliance • Key objective not met • general pensions knowledge declines • pressure on staff • staff don't have up to date, consistent knowledge and understanding • recalculations of pensions to do

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
9	C II	People	Greater level of support expected by district councils than other employers	Bradford council and to a lesser extent the other 4 councils, request information from Pensions which should be available from their own HR department.	Resources diverted from other employers	<ul style="list-style-type: none"> • Staff frustrated • Reduced level of service to other employers
10	C III	Finance	Finance aren't always involved in other sections' decision making processes	Sections powers v financial responsibility. Sections act independently and don't always ask for advice, increase in delegated powers. Finance section isn't always involved in the decision making process.	Finance is unaware of structures/ approaches	<ul style="list-style-type: none"> • Act 'ultra vires' • Promises made that can't be met
11	E IV	Competitive	National and local KPI's are not being met		Poor performance leading to complaints and reduction in service to stakeholders	<ul style="list-style-type: none"> • Can't manage performance effectively • Fail to meet explicit objective
12	E II	Finance	External Fraud	Pensions paid where there is no entitlement	Returned payments/payslips, non return of life certificates, flagged by NFI	<ul style="list-style-type: none"> • overpaid pensions • court cases • time commitment • key objective not met

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
13	D III	Finance	Admin costs increase above budgeted costs	He cost per member increase and the Fund is expensive to run.	<ul style="list-style-type: none"> • Inefficiencies in operations • Lack of automation • Poor benchmarking returns 	<ul style="list-style-type: none"> • Review in-house provision • Budget cuts • Service cuts • Partnership arrangements • Bad publicity
14	D II	Customer	Customer Satisfaction below acceptable levels	Level of complaints received Consultation with all stakeholders: What WYPF provides How good is the provision	Unacceptable level of complaints Not seen to act on consultation	<ul style="list-style-type: none"> • Fines • Bad publicity • Shrinking user base
15	D II	Finance	Prompt payment of pensions on the due date.	An annual timetable is prepared showing key dates when stages of payroll have to be done by to ensure payment is made on pay date	BACS Failure Problems encountered at key stages delaying follow on stages	<ul style="list-style-type: none"> • Pensioners not getting paid on time • Cause financial hardship • Damage to WYPF reputation • Increase in number of complaints. Callers/Visitors

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
16	D III	Economic	Lack of Admissions and Guarantors	In the past WYPF has had a fairly relaxed policy on admissions which has resulted in bodies being admitted without guarantees if the body was believed to be financially sound	Admitted body with no guarantor or bond – admission agreement comes to its end or is prematurely terminated then the costs of unfunded liabilities met by the Fund itself (i.e. all employers)	<ul style="list-style-type: none"> • Increase in employer contribution rate across the Fund • Increase in liabilities across the Fund Possible bad publicity
17	E II	Financial	Failure to obtain ISAE 3402 reports from Hedge Fund and Currency Fund Managers	Wouldn't know what risks are being taken and what controls they have in place	Failure to obtain reports	<ul style="list-style-type: none"> • Funds might go bust resulting in losses for the Fund
18	D II	Partnership/Contractual	Provision of shared services to Fire Authorities and other LGPS Funds	Staff cannot keep up with additional workloads	WYPF not being able to meet contractual obligations	<ul style="list-style-type: none"> • Will not be able to provide a pensions administration service • Will not be able to pay pensions or process work • Staff leave • Damage to WYPF Reputation • Bad publicity • Loss of income •

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
47	E II	Customer	Failure to communicate adequately with scheme members	<ul style="list-style-type: none"> Website regularly updated. Newsletters are published at least annually, Annual Benefit Statements and Deferred benefit Statements issued annually 	Complaints or cases going to IDRPs	<ul style="list-style-type: none"> Fines from TPR Bad publicity Members not able to make timely decisions Reduction in value of pension benefits
48	D II	Legislation	Failure to include all required information issued to members under disclosure regulations	Officers keep up to date with disclosure regulations and distribute knowledge to teams accordingly via working instructions, changes to workflow processes, Team Brief or emails.		<ul style="list-style-type: none"> Fines from TPR Bad publicity Members not able to make timely decisions
INVESTMENT RISKS						
19	D II	Governance	The IAP's role within the council is not clearly defined. Detrimental decisions made in relation to investments.	Council constitution sets out the delegations, and the approved Statement of General Approach to the Management of Pension Fund Investments sets out the IAP role and is provided to Members, who agree to abide by them.	Review of roles or constitution	<ul style="list-style-type: none"> Detrimental decisions made in relation to investments.
20	D II	Governance	The IAP's terms of reference are not reviewed regularly, do not meet best practice and/or are not fit for purpose.		Annual Review of delegations	<ul style="list-style-type: none"> Detrimental decisions made in relation to investments.
21	D II	Governance	Those charged with governance of the Fund and Scheme are unable to fulfil their responsibilities effectively.	A training policy is in place which requires Members to receive continuing training and all new Members to attend the SAB training course.		<ul style="list-style-type: none"> Members fail to act in the best interests of the fund.

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
				<p>The IAP membership includes Trade Union representatives, active and retired representatives, Independent Advisors and the Managing Director to maintain continuity of knowledge and experience over time.</p> <p>The Fund subscribes to relevant professional bodies e.g. LAPFF, NAPF and representatives attend major conferences.</p> <p>The IAP is very experienced and knowledgeable and monitors the performance of the Fund</p>		
22	D II	Governance	<p>The IAP's membership is not chosen with reference to members' investment skills/knowledge. Members unable to fully participate in the IAP decisions</p>	<p>A training policy is in place which requires Members to receive continuing training and all new Members to attend the SAB training course.</p> <p>The IAP membership includes Trade Union representatives, active and retired representatives, Independent Advisors and the Managing Director to maintain continuity of knowledge and experience over time.</p> <p>The Fund subscribes to relevant professional bodies e.g. LAPFF, NAPF and representatives attend major conferences.</p> <p>The IAP is very experienced and knowledgeable and monitors the performance of the Fund</p>		<ul style="list-style-type: none"> Members fail to act in the best interests of the fund.
23	D II	Governance	<p>Members take decisions without due regard to advice, along</p>	<p>Managing Director to raise any concerns with Independent Advisors and report to</p>	<p>All decisions of the IAP are subject to the Governance and Audit</p>	<ul style="list-style-type: none"> Sub-optimal or inappropriate decisions impact investment returns and in due course

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
			party political lines or with a personal agenda. Sub-optimal or inappropriate decisions impact investment returns and in due course funding levels, increasing contributions.	Governance and Audit Committee as required.	Committee's approval, where decisions not made in the best interests of the Fund may be overruled.	funding levels, increasing contributions.
24	D II	Governance	Independent Advisors not suitably qualified or diverse. Advice of poor quality or not tailored to WYPF.	Detrimental decisions made in relation to investments.	Advisors appointed after a competitive process for a maximum period of 9 years with triennial reviews and a 12 month probationary period.	<ul style="list-style-type: none"> • Advice of poor quality or not tailored to WYPF. • Detrimental decisions made in relation to investments.
25	D II	Legislative /Regulatory	Failure to adhere to relevant statutory regulations and guidance.	An established process exists to inform the IAP and the Investment team of regulatory requirements and any changes to these. Sufficient resources are in place to implement any changes. Membership of relevant professional groups ensures any potential changes in statutory requirements are known before the implementation dates	Changes in regulations	<ul style="list-style-type: none"> • Fund not invested in accordance with requirements. • Reputational damage to fund within sector and investment markets.
26	D II	Investment Strategy	Strategic benchmark not set to meet the return required by the actuarial valuation.	Benchmark is reviewed by IAP after each valuation, taking appropriate advice, including expected volatility for each asset class, to ensure the target return is achieved with an acceptable level of portfolio volatility.	Benchmark reviewed after each actuarial valuation.	<ul style="list-style-type: none"> • Funding shortfall has to be made good by employer contribution increases.

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
27	D II	Investment Strategy	Lack of asset class diversification in the strategic benchmark.	Benchmark is reviewed by IAP after each valuation, taking appropriate advice, including expected volatility for each asset class, to ensure the target return is achieved with an acceptable level of portfolio volatility.	Benchmark reviewed after each actuarial valuation.	<ul style="list-style-type: none"> Increased risk of a funding shortfall due to excessive portfolio volatility.
28	C II	Investment Strategy	Investment returns achieved fall below that required by the actuarial valuation. Funding shortfall has to be made good by employer contribution increases.	Actuarial return is based on a multi-decade expectation of return, and the benchmark is reviewed every three years and adjusted appropriately to achieve the required return.	Valuation	<ul style="list-style-type: none"> Funding shortfall has to be made good by employer contribution increases.
29	D II	Investment Strategy	Cash resources insufficient to meet short term liabilities. Fund has to sell investment at an inopportune time, risking a loss of value.	Strategic benchmark has a cash allocation sufficient for day to day running of the fund, and the cash returns of the portfolio are managed to ensure all commitments can be met on due date.	Negative cashflow	<ul style="list-style-type: none"> Fund has to sell investment at an inopportune time, risking a loss of value.
30	D II	Responsible Investment	Policies not linked to sustainability goals and actions focussed on a small number of issues e.g. fossil fuels.	The fund fails to recognise and manage other risks and is exposed to undue loss of value or volatility.	ESG policies are based on a set of overarching environmental, social and governance principles which guide our processes and goals.	<ul style="list-style-type: none"> Expected returns not achieved Asset values decrease
31	D II	Responsible Investment	Measurement and reporting of Engagement is not performed, unfocussed or insufficient.	WYPF will engage with its investments, and will work with other like-minded shareholders to increase the impact where necessary. It will exercise its voting rights and publicly report its voting record quarterly	Measurement and reporting of Engagement is not performed, unfocussed or insufficient.	<ul style="list-style-type: none"> Actions not agreed where engagement has failed.

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
32	D II	Responsible Investment	Climate Risks identified - Green House Gas Emissions - Transition risk - physical risks use of scarce resources e.g. minerals, water.	Managers will consider the range of ESG risks as they relate to each investment before investing and while continuing to hold that investment.	Loss of value of assets or volatility in the value	<ul style="list-style-type: none"> The fund fails to recognise and manage physical and transition risks due to focus on emissions and is exposed to undue loss of value or volatility.
33	C II	Responsible Investment	Lack of consistent data (e.g. on Green House Gas emissions) for all asset classes hinders understanding of climate risks.	An ESG manager has been appointed to research the available data sets to ensure WYPF can access appropriate data to assess ESG risks.	To safeguard Fund assets and achieve target returns.	<ul style="list-style-type: none"> Managers unable to assess carbon intensity of current portfolio, set metrics and targets and measure progress towards goals in accordance with IAP policy.
34	D II	Responsible Investment	Lack of focus or information means the investment opportunities of Climate change are overlooked or not taken	Managers will continue to seek opportunities to invest in companies which will benefit from the transition to a low carbon economy, and report these to the IAP regularly.	To safeguard Fund assets and achieve target returns.	<ul style="list-style-type: none"> The fund fails to recognise opportunities to add value presented by the transition to a low carbon economy.
35	E II	Governance	Custody arrangements may not be sufficient to safeguard Pension Fund's assets.	Complete and authorised agreements are in place with external custodian as part of NLGPS. External custodian is in compliance with ICAEW's Audit and Assurance Faculty's guidance on internal controls of service organisations, and report presented to IAP annually. Regular reconciliations carried out to check external custodian records to nominal ledger.	Regular reconciliations carried out to check external custodian records to nominal ledger.	<ul style="list-style-type: none"> Fund assets not safeguarded
36	E II	Governance	Stock lending counterparty failure. Fund assets at risk.	Credit rating of counterparties verified before adding to approved list.	Verify credit ratings of approved counterparties.	<ul style="list-style-type: none"> Losses on stock lending

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
				Guarantee from external custodian for all stock on loan.	Ensure custodian agreement fully documented.	
37	E II	Governance	Internal Investment Management may not have appropriate control frameworks in place to protect Pension Fund assets.	A robust framework of controls, including separation of investment managers from settlement arrangements, is in place, which is regularly tested by internal audit. Daily reconciliation of transactions against external custodian records.	Settlement and reconciliation processes maintained and verified.	<ul style="list-style-type: none"> • Fund assets at risk, fraud.
38	F II	Governance	Pension Fund investments may not be accurately valued. Strategic asset allocation not delivered as a result, poor investment decisions on future investment, fund assets at risk.	Investments are valued using current prices obtained from independent pricing sources wherever possible. Unlisted valuations provided by managers monitored to ensure any sales are above manager valuation. Quarterly valuations reconciled to custodian valuation. Internal and external audit verification work completed for year-end valuation. Portfolio valuations are completed and reported to the IAP	Internal valuation reconciled to custodian data. Unlisted valuations from external managers reviewed for reasonableness and consistency over time or on sale.	<ul style="list-style-type: none"> • poor investment decisions on future investment, • fund assets at risk
50	E II	Governance	Focus on investments means consequential non-investment risks are overlooked	Implementation of investment strategy creates unavoidable non-investment credit and counterparty risks	<ul style="list-style-type: none"> • Cash and liquidity selection against appropriate limits • Clarity over where 'daylight' risks might be present when cash is transferred to other vehicles ahead of investments 	<ul style="list-style-type: none"> • Default of banks that the fund has cash with, and/or loss of par in any liquidity funds investments • Counterparty default in any hedging and/or cash transitions. • One-off reset of this risk to be done in H2 23/H1 24.

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
					<ul style="list-style-type: none"> Understanding of any margin or other requirements as part of any hedging programmes in place. 	
JOINT ADMINISTRATION AND INVESTMENT RISKS						
39	C II	Technological	Disaster recovery	<p>Pension and Investments systems are supported by a disaster recovery plan but some systems aren't including the e-mail system and the main council systems and communication links</p> <p>ICT – risk of loss of service because of physical disaster, system failure or deliberate attack. An offsite backup regime is in place for Pensions. Onsite backups are kept in a fire proof safe.</p> <p>System failure – protected by service and maintenance contracts</p> <p>WYPF is dependent on CBMDC for virus protection and firewalls etc.</p>	<p>Minor incident occurs</p> <p>Major incident occurs</p>	<ul style="list-style-type: none"> Can't back up the data Loss of service Permanent data loss Loss of income Inability to pay pensioners
40	E II	Technological	Internal Fraud	<p>Risk of fraud by illicit alterations to our data security is in place using passwords, change logs etc. but there remains a residual risk. WYPF is dependant on CBMDC's firewall to prevent</p>	fraud	<ul style="list-style-type: none"> Loss of data Corrupt data Incorrect payments Breach of DP Act

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
				attacks on its servers from outside the council.		
41	C I	People	Recruitment and retention of experienced staff	Problems with recruitment and retention – the need to train people up, the need for continual process re-engineering. Managers of similar age Difficulties in attracting staff to Bradford	Recruitment and retention of staff does not improve	<ul style="list-style-type: none"> • Pressures on existing staff • Activities are ineffectively carried out • Difficulties in succession planning • Pressure to offer more lucrative packages • Reliance on agency/temporary staff • Escalating staff costs • Gaps appear in structures • Adverse impact on service delivery • Loss of experienced staff • Stagnation • Carrying vacancies
42	E II	Technological	Loss of sensitive personal data	Data on laptops/USB devices and data sent by email is not encrypted	Loss of data	<ul style="list-style-type: none"> • Data falls in the wrong hands and used for criminal purposes • Bad publicity • Loss of trust and confidence in WYPF
43	D II	People	Key staff on long term absence	The absence of key staff who specialise in a particular role and there is no immediate deputy to cover in their absence	Absence Management	<ul style="list-style-type: none"> • Impact on service provision (Staff, Employers, Scheme Members etc) • Crucial tasks are not performed
44	D III	People	Access to sensitive/personal data by staff	All new staff undergo a DBS check, Access to certain records is restricted	Where DBS checks reveal a relevant conviction	<ul style="list-style-type: none"> • Information could be passed on • Records updated inappropriately • Contravene DP Act
45	D II	Technological	Cyber Crime	A cyber attack will put data at risk and data may fall in the wrong hands.	A successful cyber attack	<ul style="list-style-type: none"> • Vulnerable to extortion • Damage to WYPF reputation • Impact on service delivery

No	Rating	Cluster	Short name	Vulnerability	Trigger	Consequence
						<ul style="list-style-type: none"> • Bad publicity • Fines by tPR
46	D II	Legislative /Regulatory	Compliance with GDPR requirements	Documents and processes are not updated with requirements.	A breach of GDPR	<ul style="list-style-type: none"> • Massive fines by the ICO • Damage to WYPF reputation • Bad publicity • Loss of contracts
49	C1	Technological	Provision of IT services and equipment from CBMDC	Staff are not able to connect to the Council network because systems are down. Staff do not have IT equipment to undertake their duties.	No access to systems or no IT equipment	<ul style="list-style-type: none"> • Staff cannot carry out their duties • May miss out on investment opportunities



Report of the Managing Director WYPF to the meeting of Joint Advisory Group to be held on 27 July 2023

H

Subject: Training

Summary statement:

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 below will assist Members in meeting this requirement.

EQUALITY & DIVERSITY:

Issues of Equality and Diversity are included within the body of the document.

Euan Miller
Managing Director

Portfolio:

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

Overview & Scrutiny Area:

1. Training

- 1.1 New guidance resulting from the Good Governance Report (yet to be introduced) will require key individuals within the LGPS, including LGPS officers and pensions committee members, to have the appropriate level of knowledge and understanding to carry out their duties effectively.
- 1.2 There was widespread agreement throughout the Good Governance Review process that those making decisions about billions of pounds of public money and the pension provision of millions of members should be properly trained to carry out the responsibilities of their role.
- 1.3 The expectation is that the TPR requirements that apply to Local Pension Boards should equally apply to pension committees.
- 1.4 Members of the Board, JAG and the Investment Advisory Panel were asked to complete an online knowledge assessment questionnaire produced by Hymans. The results of this assessment will help identify training requirements for Committee members.
- 1.5 The Fund will develop a training plan to ensure these training requirements are met. Going forward, training undertaken during the year will be published in the Annual Report or the Governance Compliance Statement.

2. Hymans – Online Learning Academy

Hymans offer a bespoke LGPS online training tool which provides various training modules.

The modules include:

- Introduction to LGPS
- Governance and Regulators
- Administration and Management
- Funding and Actuarial Matters
- Investments
- Current Issues

The training has now been updated to take into account user feedback and additional improvements. The key changes see shortened and refreshed modules (new videos, jargon busters and knowledge checks).

This is a brand-new learning plan and that users will be expected to work through all modules as they have done with the existing learning plan. Continued learning of both core and fund specific topics are expected from the Pension Regulator, Scheme Advisory Board, and other interested parties such as members and employers. It has

always been our expectation that users would 'redo' the core learning plan at least annually or biennially. This new training will be launched shortly.

IAP members have been enrolled on this training and are expected to complete this in this financial year. Progress will be monitored by Officers and reported at each IAP meeting. Members are encouraged to pick up this training as soon as possible (if you have forgotten your login details or need assistance) please contact the author of this report).

3.0 Other Training available to JAG members

PLSA Trusteeship

Expert Trainers will take trustees with less than 12 months' experience through how pension schemes work, what is expected of them and how to apply good scheme governance.

Part 1 – The Theory - 14 September 2023

Part 2 – The Practice - 31 October 2023

Part 3 – The Expert - 22 November 2023

The LGC Investment & Pensions Summit 7-8 September Leeds

The Summit provides connections, clarity and intelligence

- Offering unrivalled access for the LGPS community to make the right connections
- Giving clarity on where the best investment opportunities are in a challenging economic landscape
- Providing critical intelligence to overcome the challenges of delivering pensions in complex times

Attending the event will enable you to:

- Benefit from high-level investment knowledge from prominent experts across the LGPS, who'll ensure you have the latest intelligence for your organisation.
- Contribute to the networking sessions to sense-check your thinking and inform your investment strategy
- Take advantage of our easy to access platform so you can plan your attendance at the event and arrange meetings with more delegates before, during and after the event
- Use this dedicated time to focus on your investment strategy and share your challenges with your peers and fund managers

- Targeted networking enabling you to catch up with relevant contacts from organisations throughout the LGPS in England, Wales and Scotland.

Fundamentals training 2023

Fundamentals is a three-day training course predominately aimed at elected members and others who attend pension committees and local pension boards.

The course provides a scheme overview and covers current issues in relation to administration, investments and governance of the LGPS. All sessions are delivered by experts in their field.

The in person training in two locations - London and Manchester, and online.

Attending all three days will help delegates meet the relevant requirement for knowledge, skills and understanding either required in statute or encouraged by relevant guidance.

The sessions are:

Day 1 Manchester, 5 October 2023 Piccadilly Hotel
 Day 1 London, 12 October 2023 LGA offices
 Day 1 online, 19/26 October 2023
 Day 2 London, 2 November 2023 LGA offices
 Day 2 Manchester, 8 November 2023 Piccadilly Hotel
 Day 2 online, 16/23 November 2023
 Day 3 London, 5 December 2023 LGA offices
 Day 3 Manchester, 13 December 2023 Piccadilly Hotel
 Day 3 online, 11/19 December 2023 – online.

THE Local Authority Responsible Investment Seminar 10 October 2023, London

The Seminar is the first step in a drive to formulate a process for the LGPS to investigate the possibility of a standard framework for responsible investment, tracking progress in the sector's response to an increasing awareness of investment committees' responsibilities to their pension funds and to society in general.

PLSA Annual Conference 17-19 October 2023, Manchester

The pensions conference and exhibition, where the industry comes together to discuss every aspect of pensions, from communications and engagement, to investment, to the geopolitical outlook, and the trustee agenda.

LAPFF Conference 2023

The LAPFF Conference dates for this year are: 6–8 December 2023, at the Bournemouth Hilton. Details to follow in due course.

3. OTHER CONSIDERATIONS

None

4. FINANCIAL & RESOURCE APPRAISAL

None

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

Failure to complete training may mean that members cannot demonstrate suitable knowledge and skills.

6. LEGAL APPRAISAL

None

7. OTHER IMPLICATIONS

None

7.1 SUSTAINABILITY IMPLICATIONS

None

7.2 GREENHOUSE GAS EMISSIONS IMPACT

None

7.3 COMMUNITY SAFETY IMPLICATIONS

None

7.4 HUMAN RIGHTS ACT

None

7.5 TRADE UNION

None

7.6 WARD IMPLICATIONS

None

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS
(for reports to Area Committees only)

None

7.8 IMPLICATIONS FOR CORPORATE PARENTING

None

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESSMENT

None

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

None

10 Recommendation

10.1 It is recommended that Members of the JAG undertake the TPR Toolkit online training and the Hymans Robertson online Learning Academy Training.

10.2 JAG members are also encouraged to attend external training events and conferences provided by PLSA, LGA, Actuaries, and other specialist organisations.

11. Appendices

None

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

Document is Restricted

This page is intentionally left blank