

Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held on Wednesday, 20 March 2024 at 10.00 am in Aldermanbury House, Godwin St, Bradford

Commenced 10.10 am
Concluded 12.15 pm

Present – Members of the Board

Employer Representatives	Member Representatives
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Councillor Lal in the Chair

53. DISCLOSURES OF INTEREST

The Wakefield Council Employer Representative disclosed, in the interest of transparency, that he was a Member of a Future Investments Scrutiny Committee for the West Yorkshire Combined Authority.

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

Those interests were not prejudicial, and Members stayed in the meeting during consideration and voting on all items.

To be Actioned by: Director of Legal and Governance

54. MINUTES

That the minutes of the meeting held on 13 December 2023 be signed as a correct record.

55. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals made to view restricted documents.

56. RISK REGISTER

The report of the Managing Director, West Yorkshire Pension Fund (**Document “AH”**) was presented to the Board to provide Members with the details of West

Yorkshire Pension Fund's Risk Policy and Strategy which is subject to annual review.

The report revealed that there were currently two risks which were currently rated as 'red'. Members were assured that those risks were high profile and were monitored. It was clarified that good progress had been made with recruitment and retention but if had been decided by the Investment Advisory Panel and Joint Advisory Group had decided it should retain its 'red' status.

In relation to the risk around the provision of IT services and equipment it was intended to change the title as the risk had moved away from the provision of equipment for people to work at home during the Covid pandemic to the need to ensure continuity of IT services. The risk would remain rated as 'red' to ensure IT could always function as needed.

The report detailed the categories of all risks identified; the most important risks requiring continuing scrutiny, the future review and revision of risks and a full list of identified active risks. All details of mitigation and actions in place were included in the report. It was noted that following a request that details of risks before and after mitigation had taken place be included and it was confirmed that the request had been implemented in the information presented.

Resolved –

That the report be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

57. REGISTER OF BREACHES OF LAW

The report of the Managing Director, West Yorkshire Pension Fund (**Document "AI"**) was presented to Members to provide the latest information relating to breaches of law.

In accordance with the Public Service Pensions Act 2013, from April 2015 all Public Service Pension Schemes come under the remit of the Pensions Regulator.

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

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

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

Members were advised that for the year 2023-24, there were a number of

employers in breach due to late payment of contributions. Two employers in particular had long outstanding payments which were deemed to be of material significance and were reported to the Pensions Regulator. The employer, the contracting employer and scheme members were informed accordingly. One employer has made the outstanding payment but there has been no contact from the other. Officers advised that they would continue to pursue the outstanding contributions and would also apply a late payment fee. They also advised that the situation was being monitored with steps undertaken to avoid potential problems.

Following the Officer's presentation, Members were given the opportunity to ask questions or comment. The details of which and the responses given are as below.

Officers were asked whether contact was made directly with schools and had they been made aware that the contractor had not made payment. Officers advised that this was indeed the case as they were party to the agreement and were given details of their obligations.

Resolved –

That the entries and actions taken on the Register of Breaches of Law, contained in the appendices to Document "AI" be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

58. LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE

The report of the Managing Director of West Yorkshire Pension Fund (**Document "AJ"**) provided Members with details of changes to the Local Government Pension Scheme (LGPS) 2014 and information on associated matters.

The update included details of the abolition of the lifetime allowance to restrict the amount of tax-free cash an individual could take over their lifetime. A Member queried how, although this would affect only a small number of members, that abolition would be communicated. He was advised that the change would be seen by members when they requested pension estimates, information would be provided on the website and changes would be made to the annual benefit statements in due course.

Resolved –

That the report be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

59. COMMUNICATIONS POLICY AND PENSION ADMINISTRATION STRATEGY 2024Y

The report of the Managing Director, West Yorkshire Pension Fund (**Document "AK"**) was presented to Members in compliance with the LGPS Regulations

2013, in that WYPF was required to prepare a written statement of the authority's policies in relation to such matters as it considered appropriate in relation to procedures for liaison and communication with scheme employers and the levels of performance which the employers and WYPF were expected to achieve.

The Pensions Administration Strategy and Communications Policy were brought before JAG each year to review and approve, particularly if there were any new regulations and revisions to working practices.

The Pensions Administration Strategy did not require any update. The Communications Policy had been updated to reflect activities planned for 2024.

Officers provided a brief summary of the contents for both documents with the expectations on relevant parties. They advised that there were no significant changes but some small additions were made relating to the compliance section.

Officers summarised The Communications Strategy document stating the various category types (i.e. active, deferred or pensioner members).

They also informed Members that the MyPension platform provided by Civica would be replaced by its own platform which was under development. Officers also informed Members that the website would be re-vamped and launched within the following few months. The Pension Board was increasing its media presence and would be using 'LinkedIn'

There was only 1 question from Members which asked about the membership of WYPF JAG – the Managing Director advised that the group was made up by Councillors from 5 local authorities, Trades Unions representatives and 1 scheme Member representative.

Resolved –

That the Pension Administration Strategy and the Communications Policy 2024, appended to Document “AK” be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

60. PENSIONS ADMINISTRATION REPORT - 1 OCTOBER 2023 TO 31 DECEMBER 2023

The report of the Managing Director, West Yorkshire Pension Fund (**Document “AL”**) provided an update on West Yorkshire Pension Fund's (WYPF) pensions administration for the period 1 October 2023 to 31 December 2023.

Performance and benchmarking figures for administration activities were included in the report and whilst the majority of those were in target the rationale for any underperformance, and mitigating actions were provided. A Member queried the requests for retirement estimates and queried if they were being provided very late to members. It was explained that 65% of estimates were prepared on time. There were very high levels of requests and those received by people who were close to retirement were dealt with as a priority. It was acknowledged that some

requests, whilst not from members who were retiring imminently, may be needed for other financial purposes. The Annual Benefits Statements provided each year included differing calculations for members retiring at age 55 or state pension age.

With regard to staffing and recruitment it was questioned if the fund provided apprenticeships. It was reported that these were available in the investment teams and that more work would be undertaken to increase opportunities in the administration teams. Work was currently undertaken with local schools. A new Human Resources position had been filled and that dedicated person would look further at engagement with schools and universities. Two initiatives where delegations from the fund had visited Bradford University and Leeds Mathematics School to arrange work experience opportunities were also reported. All vacancies were no longer only advertised on the Council's website and LinkedIn and other channels were utilised.

Difficulty had been encountered with the Council's apprenticeship scheme requiring the completion of a business qualification and the fund wishing for some apprentices to take a pensions qualification. This was a problem encountered by all Local Government Pension Schemes and the fund was part of a working group considering those issues.

It was believed that the appointment of the new HR role would improve efficiency and enhance the apprenticeship and work experience schemes.

The praise and complaints section of the report made reference to a member receiving payments without realising their source and assurances were provided that members were contacted when they retired to advise them of payment dates. It was agreed to check that WYPF was detailed on all bank payments.

A member questioned if there were measures in place to ensure the fund had a diverse workforce or if the fund reflected the diversity of the area. That Member was assured that the fund did have a diverse workforce and the new HR role would look at that issue more closely.

The workforce profile outlined in the report revealed that staff were retained for a number of year and a number of those were within the 55 to 59 age group. It was questioned if succession plans were in place to address potential issues if a number of staff left at the same time. In response assurances were provided that succession plans were in place to identify any potential risks and plans were in place to mitigate any risks. One of the main projects the new HR person would undertake would be to ensure succession plans were in place and adequate.

It was questioned whether the fund would ever over recruit to ensure they had quality personnel. It was explained that over recruiting would go against Council policies, however, there had been some instances when two excellent candidates were competing for one post and the second applicant had been engaged for another potential vacancy. If it could be justified the fund would always try to secure good recruits.

A Member questioned the number of casual staff reported and queried why they were appointed on that basis. He was advised that the figure in the report of 22

casuals was misleading. A lot of those had registered for casual work but had not worked. The actual figure of casuals was felt to be five or six. When the fund had moved to monthly postings additional staff had been utilised on a casual basis for that project only. Students were also supported to undertake work experience on a casual basis and that could inflate the figures. Assurances were provided that some of those staff utilised on a casual or work experience basis had gone on to secure permanent work.

Resolved –

That the report be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

61. PENSIONS DASHBOARD

The report of the Managing Director, West Yorkshire Pension Fund (**Document “AM”**) was presented to provide Members with an update on progress in the introduction of the Pensions Dashboard. Officers provided a verbal overview of what the dashboard was and its purpose as there were new Members on the Board. The latest update relating to the deadline for the dashboard to be delivered had been given as 31/10/2026 but that the public sector was due to go live in September 2025.

Officers advised that the process of improving data quality was still progressing in preparation for submission to the dashboard platform.

No questions were received from Members in relation to the Pensions Dashboard.

Resolved –

That the report be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

62. WYPF GOVERNANCE REVIEW UPDATE

The report of the Managing Director, West Yorkshire Pension Fund, (**Document “AN”**) reminded Members that further to reports presented to previous meetings of the Pension Board, a review of the effectiveness, roles and responsibilities of the WYPF Investment Advisory Panel (‘IAP’), Joint Advisory Group (‘JAG’) and the Pension Board (‘Board’) was currently being undertaken.

Muse Advisory had been appointed following a procurement process to provide advice and support on the review and had undertaken a range of fieldwork to help to build a detailed picture of the way in which WYPF operates and is governed; and to enable an accurate assessment of what is working well, and where improvements could be made.

Muse Advisory’s report summarising their initial observations and findings was attached as an Appendix to the report. The report had concluded that the fund

was well run and had competency of staff, member engagement and conduct.

Room for improvement had been seen in some areas. It had been suggested that the Pension Board could be used more effectively and should be timetabled to meet between the Joint Advisory Group and Investment Advisory Panel to enable scrutiny before reports were presented to the Governance and Audit Committee.

Discrepancies between the number of Members on the Joint Advisory Group and the Pension Board had been noted and it had been suggested the Joint Advisory Group was too large.

It was felt that more clarity could be provided on the Terms of Reference so that Members were clear of their remit and what constituted an officer decision. It had also been noted that meeting papers could be more concise and focused.

The Managing Director reported that he had been in discussions with lawyers to prevent recommendations which could not be implemented being made. Assurances were provided that reports back to the Pension Board, Investment Advisory Panel and Joint Advisory Group would be made when those discussions had been finalised.

A Member recommended that, as the three groups had differing terms of reference, that they be advised of each other's roles. The Managing Director acknowledged that the terms of reference for those groups had evolved over time. IAP and JAG had been established some years previously whilst the Pension Board had been formed in 2015. The terms of reference of IAP and JAG had not been tweaked to recognise the existence of the Pension Board. It was clarified that the role of the Pension Board was not decision maker and was to undertake a scrutiny role. It could report issues to full Council and also had the ability to report to The Pensions Regulator.

It was requested that Members receive a copy of the Governance Review when that was finalised. It was agreed that they would receive a copy of the final review. It was reiterated that checks must be made with the Council's Legal Department to ensure that the recommendations were able to be implemented before the report could be finalised and it was suggested that the Pension Board be invited to attend a Joint Advisory Group meeting.

It was questioned why the Joint Advisory Group on 25 January 2024 had been inquorate. It was explained that the JAG meeting followed the Investment Advisory Panel held on the morning prior to the JAG meeting. IAP had the ability to meet remotely via teams whilst the JAG could not. The meeting was inquorate as members had chosen not to travel to Bradford for the IAP meeting. That occurrence had highlighted another weakness in governance arrangements to be considered.

Resolved –

That the report, the initial observations and findings set out in Appendix A to Document "AN" and the proposed next steps of the Governance Review be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

63. DRAFT INVESTMENT STRATEGY STATEMENT

The report of the Managing Director, West Yorkshire Pension Fund (**Document “AO”**) was presented to Members to provide a draft of an updated Investment Strategy Statement (ISS) which had recently been issued for consultation with WYPF stakeholders following consideration at the WYPF Investment Advisory Panel (‘IAP’) meeting on 25 January 2024.

The ISS had been revised to reflect developments in WYPF’s investment arrangements and beliefs; and in particular the changes in strategic asset allocation agreed by the Investment Advisory Panel during 2023.

Officers advised that the Northern LGPS pool was important in terms of its operation and role in relation to WYPF’s investment arrangements and these could be revised due to statutory changes.

There were no questions or comments from Members in relation to the draft Investment Strategy Statement.

Resolved –

- 1. That the draft Investment Advisory Strategy, the relevant regulations and guidance and the consultation process which is currently ongoing be noted.**
- 2. That Members feed into the consultation document as individual stakeholders by the 5 April 2024 deadline.**

To be Actioned by: Managing Director, West Yorkshire Pension Fund

64. PAYMENT OF DEATH GRANTS

Members were aware that the LGPS Regulations 2013 allow the administering authority (WYPF), at their absolute discretion, to make payments in respect of a death grant lump sum.

The report of the Managing Director, West Yorkshire Pension Fund (WYPF), (**Document “AP”**) highlighted the process undertaken by WYPF to ensure that death grants were paid correctly and to the right beneficiaries.

The report highlighted that the fund had absolute discretion to pay the lump sum death grant to the deceased’s nominee(s); personal representatives or any person who appeared, at any time, to have been a relative or dependant.

An example of the difficulties which could be faced was the nomination of 34 charities in a member’s expression of which form which differed from the person’s actual will.

Members queried the formulas used to ascertain the payments for people, aged under 75, who had retired within 10 years of their death. The calculations for that instance were explained together with definitions of death grant and death in service payments.

Following discussions about complaints procedures Members were advised that any challenge would be about the process which had been undertaken and decisions would not be changed if the correct procedure had been demonstrated.

Resolved –

That the report be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

65. THE PENSION REGULATOR GENERAL CODE OF CONDUCT

The report of the Managing Director, West Yorkshire Pension Fund (**Document “AQ”**) was presented to Members to provide them with information relating to what all governing bodies should do or must do in order to meet the legal responsibilities and regulatory expectations in relation to TPR’s General Code of Practice. Work was underway to help confirm the Fund complied with the requirements within the new Code. After the initial review, ongoing compliance checks would be carried out on a regular basis

The role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 was to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator (TPR); and any other such matters as the LGPS regulations may specify.

To be able to assist the Scheme Manager and meet the requirements of the Public Service Pensions Act 2013, Pension Board Members should understand what WYPF needed do in order to meet their legal responsibilities and regulatory expectations.

Officers advised that the previous codes of practice were going to be amalgamated into 1 new one with some additions and for LGPS, replaced Code of Practice 14 (Governance and Administration of Public Service Pension Schemes).

Officers stated that WYPF was part of a focus group and needed guidance to be provided by the LGA.

A Member asked if there was an Officer dedicated to working on the code and was advised that it was being addressed largely as part of usual daily practice. It had already been looked into and passed onto management but could be subject to change following LGA advice and the focus group.

Resolved –

- 1. That Members be requested to make themselves aware of TPR Code Of Practice and how it applies to the administration of the LGPS**
- 2. That Members be requested to watch the Aon webinar about TPR General Code of Practice.**

To be actioned by: Managing Director, West Yorkshire Pension Fund

66. TRAINING UPDATE AND PLANS

The Managing Director, West Yorkshire Pension Fund, (WYPF) presented **Document “AR”** which reminded Members that the role of The Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 was to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the Local Government Pension Scheme (LGPS) including securing compliance with the LGPS regulations and any other legislation relating to the governance and administration of the LGPS; securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and any other such matters as the LGPS regulations may specify.

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

Members were aware that the training of Pension Board members to understand their responsibilities and the issues they were dealing with was a very high priority. Details of training courses, conferences and seminars were listed to assist Board Members.

It was explained that following The Pension’s Regulator’s (TPR) engagement a baseline of training levels was required within six months of membership of the Pension Board. Any members who had not completed the TPR Public Services Toolkit must do so before 31 March 2024. New members would be advised that they must complete that training within six months of joining the Pension Board.

Engagement would be undertaken with all Members to assess training needs and compile a training need document to show what had been completed and to address what was required. Appended to the report were sample documents and Members were asked to assess the questions and topics included before a training plan could be developed.

Following a detailed presentation a Member referred to the PLSA Trustee Training Programme which he had attended. He felt the course was excellent and urged all other Members to attend. He reported that it had been difficult for him when he was a new Member to ascertain what training he lacked. After attending the training, he felt he understood and was more confident in conducting his role.

It was agreed that the training assessment would help to clarify strengths and weaknesses and to tailor training accordingly. Members who had undertaken many training sessions believed that the skills analysis would enable tailored training to be provided. It was agreed that the analysis of need would facilitate the correct in house or externally commissioned training to be facilitated.

Whilst Members were urged to attend the PLSA training some requested that the most appropriate courses and order in which they should be conducted be suggested to them. They believed that training following scheduled Pension Board meetings would be useful and that question and answer sessions could also aid their understanding.

The Managing Director acknowledged that the TPR toolkit could be technical and specific and believed that the non PLSA training could help Members to understand the softer more strategic issues and provide an understanding of what worked well in non-Local Government Pension Schemes.

Members were reminded that they could request specific reports to be presented to the Pension Board on any topics they did not understand or were of interest to them.

Resolved –

- 1. That it be agreed that Members will complete the TPR Public Sector Toolkit online training, including the Scam module, by 31 March 2024 and the relaunched Hymans Robetson online LGPS Learning Academy Training to meet the expectations of the TPR and the requirements define by the Public Service Pensions Act 2013.**
- 2. The requirement for all Board Members to attend external training events provided by PLSA, LGA & Actuarial firms and consideration to Local Pension Board Member representation at various national events such as the PLSA Conference and LGA Governance conference be noted.**

To be actioned by: Managing Director, West Yorkshire Pension Fund

67. BUSINESS PLAN 2024 - 2029

The report of the Managing Director, West Yorkshire Pension Fund, (WYPF) (**Document “AS”**) was presented to Members to provide details of WYPF’s five-year business plan, highlighting objectives for the Fund and documenting the priorities and improvements to be implemented to help achieve those objectives.

The business plan would be formally reviewed each year by JAG/IAP in their January meetings alongside ongoing monitoring and updates as required.

Officers stated that updating was an onerous task so it had been split into parts, the first being WYPF’s strategic objectives and business as usual activities. This part was only likely to be subject to minor changes from year to year. The second

part of the plan set out details of each business plan initiative and their anticipated time scales, details of new initiatives were included in the report for Members information.

It was intended to make it easier to use and would be amalgamated where possible with updates on actions. It was also intended that The Risk Register would be presented in a similar format.

Following the overview given by Officers, Members then had the opportunity to ask questions and/or comment as appropriate.

In relation to the budget forecast set out in Appendix B of the report, A Member noted that large changes representing an increase of over 30% and was advised that WYPF was growing with existing and new business and would need extra office space, which was budgeted for.

A Member noted the Actuary fee of £350,000 and whether it was as a result of the valuation cycle. Officers advised that costs were always higher in a valuation year.

A Member noted that the cost of support services had increased from approximately £460K to £850K and asked if there had been a change in agreement. Officers were able to advise that the cost base had changed with the way the support share was set up but still represented the lowest cost.

A Member asked about costs relating to accommodation and whether hybrid working had been considered. Officers advised that there was not enough room for everyone to be in at the same time but staff were encouraged to attend 2-3 days per week. The building was owned by WYPF so it was sensible to make use of extra space at a commercial rent rate that would not be detrimental to investments.

Resolved –

That the Business Plan 2024-29, the progress on existing key initiatives and the new initiatives, contained in Document “AS” be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

68. EXCLUSION OF PUBLIC

Resolved –

That the public be excluded from the meeting during consideration of the Not for Publication Appendix to Document “AG” containing the minutes of the West Yorkshire Pension Fund Investment Advisory Panel meeting held on 27 January 2024 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.

**69. WEST YORKSHIRE PENSION FUND INVESTMENT ADVISORY PANEL
MINUTES 27 JANUARY 2024**

Resolved –

That the minutes of the West Yorkshire Pension Fund Investment Advisory Panel 27 January 2024 be noted.

To be actioned by: Managing Director, West Yorkshire Pension Fund

Chair

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

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