

Agenda for a meeting of the West Yorkshire Pension Fund Joint Advisory Group to be held on Thursday, 25 April 2024 at 2.00 pm in Council Chamber - City Hall, Bradford – this is the reconvened meeting from 25 January 2024

Members of the Committee

<p><u>Bradford Members</u> Councillors: Thornton P Clarke Alipoor</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 Mitchell</p>	<p><u>Trades Union Members</u> Chard, GMB Goring, UNISON Bailey, UNISON</p>
<p><u>Scheme Members</u> Warren</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.
- **Members of the public are respectfully reminded that this is a meeting that is being held in public NOT a public meeting. The attendance of the public to observe the proceedings is welcome.**
- 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:

Jason Field
Interim Director of Legal and Governance
Agenda Contact: Jane Lythgow/Su Booth/
Phone: 07970 411623/07814 073884

To:

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A. PROCEDURAL ITEMS

1. DISCLOSURES OF INTEREST

(Members Code of Conduct - Part 4A of the Constitution)

To receive disclosures of interests from members and co-opted members on matters to be considered at the meeting. The disclosure must include the nature of the interest.

An interest must also be disclosed in the meeting when it becomes apparent to the member during the meeting.

Notes:

- (1) *Members must consider their interests, and act according to the following:*

Type of Interest	You must:
<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 inhabitants of the affected ward, and</i> <i>(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 <u>only if</u> the public are also allowed to speak but otherwise not do</i>

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.*

2. MINUTES

Recommended –

That the minutes of the meeting held on 27 July 2023 be signed as a correct record (previously circulated).

(Jane Lythgow/Su Booth – 07970 411623/07814 073884)

3. INSPECTION OF REPORTS AND BACKGROUND PAPERS

(Access to Information Procedure Rules – Part 3B of the Constitution)

Reports and background papers for agenda items may be inspected by contacting the person shown after each agenda item. Certain reports and background papers may be restricted.

Any request to remove the restriction on a report or background paper should be made to the relevant Strategic Director or Assistant Director whose name is shown on the front page of the report.

If that request is refused, there is a right of appeal to this meeting.

Please contact the officer shown below in advance of the meeting if you wish to appeal.

(Jane Lythgow/Su Booth – 07970 411623/07814 073884)

B. BUSINESS ITEMS

4. GOVERNANCE REVIEW

The report of the Managing Director, WYPF (**Document “J”**) will be presented to Members relating to the review of the effectiveness, roles

and responsibilities of the WYPF Investment Advisory Panel ('IAP'), JAG and the Local Pension Board ('LPB') which is currently underway. The report summarises the initial observations and findings by Muse Advisory.

Recommended –

That the Joint Advisory Group note the report, the initial observations and findings set out in Appendix A and the proposed next steps of the Governance Review.

(Euan Miller/Matt Mott – 07815 476877)

5. WYPF FINANCE REPORT

15 - 24

The report of the Managing Director (**Document “K”**) will be presented to Members in accordance with Local Government Pension Scheme Regulations, costs of managing LGPS pension funds must be charged to the pension fund accounts and not to local authorities' general fund accounts. The budget proposals in this report will deliver pension administration, oversight and governance for over 500,000 (WYPF 323,000) pension members, 900 (WYPF 400) employers, and 26 shared service partners - pension administering organisations.

Recommended –

- A. That the latest expenditure forecast of £6.91m against a budget of £7.26m for 2023/24, net underspend of £0.35m be noted.**
- B. That the proposed budget of £8.32m for 2024/25, with inflation increase of £1.06m (14.56%) be approved.**
- C. That the WYPF total cost per member of £42.68 is the lowest within LGPS (2nd £74.60). Projected total cost per member for 2024/25 of £57.34 will maintain our cost performance going forward be noted.**
- D. That at the time of writing this report Bradford accounts for 2021/22 and 2022/23 are delayed therefore, the WYPF accounts are also delayed, be noted.**

(Ola Ajala – 01274 434534)

6. FUNDING STRATEGY STATEMENT CONSULTATION

25 - 122

The report of the Managing Director, WYPF (**Document “L”**) will be presented to provide Members with details of the consultation exercise undertaken with all employers relating to updates to the Funding Strategy Statement as part of the review of the calculation methodology for the low risk exit basis.

Recommended –

1. **That the changes to the calculation methodology for the low risk exit basis be approved.**
2. **That the updates to the Funding Strategy Statement as set out in Appendix A be approved.**
3. **That the effective date of these changes at 1 February 2024 be approved.**

(Caroline Blackburn – 07790 343179)

7. WYPF ADMINISTRATION REPORT

123 -
156

The report of the Managing Director, WYPF (**Document “M”**) will be presented to provide Members with an update on West Yorkshire Pension Fund’s (WYPF) pensions administration activities for the period 1 July 2023 to 31 December 2023.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)

8. PENSION ADMINISTRATION STRATEGY AND COMMUNICATIONS POLICY 2024

157 -
184

The report of the Managing Director, WYPF (**Document “N”**) will be presented to Members to provide details of the written statement of the authority’s policies in relation to such matters as it considers appropriate in relation to procedures for liaison and communication with scheme employers and the levels of performance which the employers and WYPF are expected to achieve in accordance with the LGPS Regulations 2013.

Recommended –

That the Pension Administration Strategy and Communications Policy 2024 be approved.

(Yunus Gajra – 01274 432343)

9. REGISTER OF BREACHES OF THE LAW

185 -
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The report of the Managing Director, WYPF (**Document “O”**) will be presented to Members in accordance with the Public Service Pensions Act 2013, that 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 – 07790 343179)

10. LOCAL GOVERNMENT PENSION SCHEME REGULATIONS UPDATE 197 - 206

The report of the Managing Director, WYPF (**Document “P”**) will be presented to Members to provide an update on changes to the Local Government Pension Scheme (LGPS) 2014 and provides information on associated matters.

Recommended –

That the report be noted.

(Tracy Weaver – 01274 433571)

11. AVC REVIEW 207 - 270

The report of the Managing Director, WYPF (**Document “Q”**) will be presented to provide Members with details of the annual review carried out by Aon’s AVC Team, at the request of WYPF to review the performance of the Additional Voluntary Contribution Providers in terms of investment performance, financial strength, investment capabilities, charging structure and administration.

West Yorkshire Pension Fund has 3 Additional Voluntary Contribution Providers, namely:

- Utmost Life and Pensions (previously Equitable Life),
- Scottish Widows, and
- Prudential

Recommended –

That the report be noted.

(Tracy Weaver – 01274 433571)

12. BUSINESS PLAN 2024-2029

271 -
324

The report of the Managing Director, WYPF (**Document “R”**) will be presented to provide Members with WYPF’s 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 –

- 1. That the progress on existing key initiatives and new initiatives listed by noted**
- 2. That the Business Plan 2024-2029 be approved**

(Yunus Gajra – 01274 432343)

13. CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

325 -
330

The report of the Managing Director, WYPF (**Document “S”**) will be presented to members to provide them with details of training and conferences available in view of 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.

Recommended –

- 1. That Members of the JAG undertake the TPR Toolkit online training and the Hymans Robertson online Learning Academy Training.**
- 2. That JAG members are also encouraged to attend external training events and conferences provided by PLSA, LGA, Actuaries and other specialist organisations.**

(Yunus Gajra – 01274 432343)

14. EXCLUSION OF THE PUBLIC

Members are asked to consider if the **Not for Publication Document “T”** relating to the CEM – Pensions Administration Benchmarking Survey (PABS) 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 “T” relating to the CEM – Pensions Administration Benchmarking Survey (PABS) 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. **CEM - PENSIONS ADMINISTRATION BENCHMARKING SURVEY (PABS)** 331 - 428

The **NOT FOR PUBLICATION** report of the Managing Director, WYPF (**Document “T”**) will be presented to provide Members with comparisons between WYPF’s pension administration costs and member service with a peer group of other schemes, from both public and private sector, for the year to 31 March 2023.

Recommended –

That the report be noted.

(Yunus Gajra – 01274 432343)