

Report of the Director West Yorkshire Pension Fund to the meeting of Governance and Audit Committee to be held on 26 March 20

AA

Subject:

Minutes of West Yorkshire Pension Fund (WYPF) Local Pension Board meeting held 17 December 2019

Summary statement:

The role of the Pension Board, as defined by sections 5(1) and (2) of the Public Service Pensions Act 2013 is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the LGPS.

City of Bradford Metropolitan District Council (the Council), as Scheme Manager, as defined under section 4 of the Public Service Pensions Act 2013, has delegated legal and strategic responsibility for West Yorkshire Pension Fund (WYPF) to the Governance and Audit Committee.

The minutes of the WYPF Pension Board meeting are to be submitted to this committee.

Rodney Barton
Director

Portfolio:

Leader of Council & Corporate

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

- The Council's Financial Regulations require the minutes of meeting of WYPF Local Pension Board to be submitted to this committee.

2. APPENDIX

- Minutes of WYPF Local Pension Board 17 December 2019.

Minutes of a meeting of the West Yorkshire Pension Fund Pension Board held on Tuesday, 17 December 2019 at Aldermanbury House, Godwin Street, Bradford

Commenced 10.00 am
Concluded 11.10 am

Present –

Employer Representatives	Member Representatives
Councillor S Lal (Chair) – Bradford	Mr G Nesbitt – GMB
Councillor D Jenkins– Leeds	Mr M Binks – Unison
Ms R Manning - Employer	Mr C Sykes – Unison
	Mr M Morris - Unite

Apologies: Councillor Martyn Johnson - Wakefield

Councillor Lal in the Chair

26. DISCLOSURES OF INTEREST

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

Action: City Solicitor

27. MINUTES

Resolved –

That the minutes of the meeting held on 8 October 2019 be signed as a correct record.

28. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents.

29. REGISTER OF BREACHES OF LAW

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

Section 70 of the Pensions Act 2004 (the Act) imposes a requirement to report a matter to the Pensions Regulator as soon as it is reasonably practicable where that person had reason to believe that:

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

A register of any breaches of the Pensions Code of Practice was maintained in accordance with the Pensions Regulators requirements and WYPF Breaches Procedure and was appended to the report. The breaches related to the late payment of contributions and Annual Benefit Statements not issued by 31 August 2019. Members were advised that 99.6% of statements had been issued on time and that all late contributions had now been received. As the Director, West Yorkshire Pension Fund, had not deemed that the breaches were of material significance, they had not been reported to the Pensions Regulator.

It was questioned if the number of employees of the firms who had made late payments could be included in future reports. It was explained that the sum of the payments would provide an indication of the number of employees but it was agreed that a ballpark figure would be provided in future.

Resolved –

That the entries on the Register of Breaches of Law be noted.

ACTION: Director, West Yorkshire Pension Fund

30. THE PENSIONS REGULATOR SCHEME RETURN

Members are aware that, in accordance with the Public Service Pensions Act, from April 2015 all Public Sector Pension Schemes came under the remit of the Pension Regulator.

It was explained that the Pensions Regulator (tPR) required all occupational pension schemes to complete an annual scheme return. The report of the Director, West Yorkshire Pension Fund, (**Document “T”**) provided an update on completion of the 2019 tPR scheme return.

Members questioned if their homes addresses must be included in the return and it was agreed that they would be deleted from Document “T” and that future returns would include the employment address for those members.

Resolved –

That the report be noted.

ACTION: Director, West Yorkshire Pension Fund

31. GOOD GOVERNANCE IN THE LOCAL GOVERNMENT PENSION SCHEME (LGPS)

The Director, West Yorkshire Pension Fund, presented a report (**Document “U”**) which informed Members that governance in the LGPS was evolving to accommodate new developments in the last decade, including oversight by the Pensions Regulator, introduction of Local Pensions Boards, increasing complexity in scheme benefits and administration, local government funding cuts and pooling of LGPS investments, which had changed the role of pension committees, and how LGPS Funds worked with each other.

The Scheme Advisory Board (SAB) had commissioned Hymans Robertson to examine the effectiveness of current LGPS governance models and to consider alternatives or enhancements to existing models which could strengthen LGPS governance going forward. Members were updated on the progress of that exercise.

A Member reported that consideration of Document “U” had made him question his own pension knowledge and the contribution he could make to the WYPF Scheme. He questioned how new appointments to the Joint Advisory Group and Investment Advisory Panel were communicated to the Pension Board. In response it was explained that the minutes of both JAG and IAP always recorded new appointments and were presented to the Pensions Board. It was confirmed that JAG comprised of three elected members from each of the five authorities together with trade union representatives and a retired and active member of the scheme. The IAP included 2 elected members from each of the five authorities and trade union and retired and active members. All members on those groups have voting rights.

It was suggested that to increase communication and enhance joint working arrangements the Chair of the WYPF Pension Board attend the JAG and IAP meetings as an observer.

Resolved –

That the report be noted.

ACTION: Director, West Yorkshire Pension Fund

32. THE PENSIONS REGULATOR GOVERNANCE AND ADMINISTRATION SURVEY AND ENGAGEMENT

The report of the Director, West Yorkshire Pension Fund, (**Document “V”**) advised members that the Public Service Pensions Act 2013 introduced new requirements for the governance and administration of public service pension schemes and that scheme managers must run their schemes according to those legal requirements.

A survey had been undertaken in 2015 to assess how schemes were meeting the new requirements and the standard to which they were being run. Surveys had also been conducted in 2016, 2017 and 2018 to provide a further assessment of

performance, understand barriers to improvement and delve deeper into the top risks of governance, record keeping and communications.

A summary of the 2018 results had been produced by the Pensions Regulator (tPR) which could be found in the report Governance and Administration survey 2018: Research Report and which was appended to Document V.

TPR had also produced a report - Governance and Administration risks in Public Sector Pension Schemes.

In addition to the results appended to the report Members were advised that the Pension Regulator had decided to look at funds in addition to the 10 schemes which had been the subject of a deeper look into the top risks of governance, record keeping and communications considered previously. WYPF would now be included. Written communication had been received from tPR listing a number of documents to be considered. The necessary information would be collated and submitted to tPR in the new year. In response to questions it was reported that it was expected that all information would be submitted by the end of January 2020, before the required deadline. It was anticipated that the information would be reviewed; further information and clarity would be sought from tPR and it was anticipated that process would be followed by a visit from tPR. It was expected that a report would be published following the Relationship Supervision process. Only generic results of the 10 previous Relationship Supervision processes had been published.

It was confirmed that tPR was interested in Pension Board Member training and Members were urged to complete the tPR tool kit and confirm that this had been completed to allow that process to be documented.

Members were assured that the process was not intended, or expected; to uncover bad practice and WYPF welcomed the scrutiny. Feedback from the process would be provided at the next meeting.

A Member questioned if Annual Benefit Statements could be despatched via email in the future and he was informed that members would be advised via email that their benefit statements were available to view on line. There were a number of members who did not have access to email or the internet and those members would, on request, continue to be provided with a paper copy.

Resolved –

That the report be noted.

ACTION: Director, West Yorkshire Pension Fund

33. TRAINING, CONFERENCES AND SEMINARS

Members were reminded that training to understand their responsibilities and the issues they would be dealing with was a very high priority.

The report of the Director, West Yorkshire Pension Fund, (**Document “W”**) informed Members of training courses, conferences and seminars which may be of assistance.

Particular attention was drawn to the LGPS Annual Conference, 23-24 January 2020 which was taking place in York.

Members were asked to identify any training requirements and it was stressed that formal generic training or one to one sessions could be arranged.

It was acknowledged that there was a vast amount of experience available to Members in the WYPF and an invitation was extended for Members to visit the office or to shadow officers in their roles. It was reiterated that training could be tailored to individual needs and in a variety of forms.

In addition it was explained that The Pension Regulator toolkit was a free, online learning programme aimed at trustees of occupational pension schemes. It included a series of online learning modules and downloadable resources developed to help Members meet the minimum level of knowledge and understanding introduced in the Pensions Act 2004. Members were encouraged to undertake that training and once completed it was requested they provide a completion certificate to the Technical and Development Manager who could document that process. It was suggested that officers could go through the training individually with Members if they wished.

A Member questioned why he was being asked to complete a training analysis form as he had submitted that information previously. It was explained that the Technical and Development Manager used that information to ensure Members were provided with the relevant support to carry out their roles. It was often the case that over time people's requirements and understanding of issues would change and it enabled her to assess members' needs.

The production of a work plan for the Pension Board was suggested. It was explained that a plan had already been developed which included regular issues to be presented to the Pension Board. That plan could be circulated to Members and include any particular areas of interest they wished to pursue. It was also suggested that a training plan including objectives and outcomes for the coming year be considered at the next meeting.

During discussions about governance arrangements and membership of the Joint Advisory Group, Investment Advisory Group and the Northern LGPS (NLGPS) it was explained that WYPF were in a unique position and one of a minority of funds which included trade union and member representatives on those bodies. A Member reported their lack of understanding of how the NLGPS, JAG and IAP worked together and it was agreed that training on their composition and Members responsibilities around those bodies would be provided.

Staff surveys undertaken in other organisations to ascertain any employee concerns were reported by a Member and it was questioned if similar analyses were conducted at WYPF. It was reported that the Human Resources function of Bradford Metropolitan District Council did conduct staff surveys and information

which could be shared, regarding WYPF employees could be presented to Members in the future.

The annual member meeting was discussed and it was explained that the content of that meeting would be included in the annual newsletter to members. It was stressed that WYPF was one of the few funds which held an annual members meeting.

It was questioned if officers received training on any new software introduced and it was clarified that the software had been used for some time with no major updates recently. Assurances were provided that Intensive training had been delivered when the software was introduced in 2012.

No resolution was passed on this item.

Chair

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

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