

# Report of the Director West Yorkshire Pension Fund to the meeting of Governance and Audit Committee to be held on 20 August 2020

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## Subject:

**Amendments to West Yorkshire Pension Fund Funding Strategy Statement**

## Summary statement:

- 1.1 WYPF must maintain a Funding Strategy Statement (FSS) in accordance with the LGPS Regulations 2013. It 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.
- 1.2 The proposed amendments to the FSS were for two key items:
  - a) Changes to the Local Government Pension Scheme (LGPS) Regulations relating to exit credits, and
  - b) Changes to how new admissions are administered, to reduce administration and advisory fees and to provide a further option for employers via the introduction of a pass through (“pooling”) approach.
- 1.3 A consultation on the proposed amendments to the FSS ran for 4 weeks up until 31 May 2020.
- 1.4 A report was taken to the Joint Advisory Group (JAG) on 30 July, but the JAG did not approve it, objecting to a previously approved paragraph relating to climate change.
- 1.5 The proposed amendments are required to keep the FSS in line with the regulations.

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Rodney Barton  
Director

**Portfolio:**  
**Leader of Council & Strategic Regeneration**

Report Contact: Rodney Barton  
Phone: (01274) 432317  
E-mail: [rodney.barton@bradford.gov.uk](mailto:rodney.barton@bradford.gov.uk)

**Overview & Scrutiny Area:**  
**[Insert where appropriate]**

## **1. SUMMARY**

1.1 In accordance with Regulation 58 of the LGPS Regulations 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.

1.2 A consultation exercise on the proposed amendments to the FSS ran for 4 weeks up until 31 May 2020, one comment was received and was responded to by officers.

1.3 A report was taken to the Joint Advisory Group (JAG) on 30 July, but the JAG did not approve it, objecting to a previously approved paragraph relating to climate change.

1.4 The proposed amendments are required to keep the FSS in line with the regulations.

1.5 The first amendment ensures that WYPF is not exposed to having to make unjustified exit payments to contractors to the detriment of the Districts and other Scheduled bodies. Full details are contained in paragraph 3 of the JAG report attached as Appendix 1.

1.6 The second amendment is to smooth administration arrangements for admitting employers who are short term contractors (usually less than 5 years), which will reduce the cost for the Scheduled bodies employing the contractors. Full details are contained in paragraph 4 of the JAG report attached as Appendix 2.

## **2. RECOMMENDATION**

2.1 It is recommended that the revised Funding Strategy Statement be approved.

## **3. APPENDICES**

Appendix 1 – Funding Strategy Statement

Appendix 2 – Funding Strategy Statement report to the Joint Advisory Group