

Report of the Managing Director, West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 26th July 2023.

Subject:

The Pensions Regulator (TPR) Supervisory Engagement.

Summary statement:

WYPF were chosen for supervisory engagement with the Pensions Regulator (TPR) along with nine other LGPS Funds in England and Wales.

The purpose of the engagement was for TPR to gain an understanding of, and to provide comments to the scheme manager and pension board, on how the Fund operates and the management and governance controls in place.

The review provided the opportunity for TPR to understand how the scheme manager and pension board ensures compliance with legislation; adherence to codes of practice; and the application of good industry practice.

Appendix A is the TPR supervisory report which has recently been received, which has an overall rating of green (good) for both areas of engagement, Management and Governance & Systems and Processes.

EQUALITY & DIVERSITY:

None

Euan Miller
Managing Director

Portfolio:

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Overview & Scrutiny Area:

1. **BACKGROUND**

In 2019 The Pensions Regulator (TPR) announced they wanted to understand the LGPS and its administration better and intended to work closer with a selected number of Administrating Authorities. The process, however, was paused due to the pandemic and did not recommence until January 2023.

The Authorities were selected to represent a cross section of the differing administration models in the LGPS and were based on size of membership, numbers of employers, and commercial complexity.

WYPF was chosen for the supervisory engagement as it is one of the largest LGPS Funds and also because it has a shared administration partnership with LB Barnet, LB Hounslow and Lincolnshire County Council, as well as more than half of the Fire authorities in England and Wales who are responsible for the Firefighters' Pension Scheme.

TPR focused on two key areas for this supervisory engagement, Management and Governance & Systems and Processes. Appendix A is their supervisory report which has an overall rating of green.

2. **SUMMARY**

In January 2023 TPR contacted WYPF to recommence the supervisory engagement.

Officers of WYPF, Euan Miller, Yunus Gajra, Tracy Weaver and Matt Mott met with TPR officials over a series of six meetings. An introduction to the purpose and process of the engagement, a summary of the supervisory report produced by TPR and four main meetings to discuss the two key areas of Management & Governance and Systems & Processes.

WYPF officers were impressed by the approach taken by TPR and felt the discussions were two way, honest and useful. Throughout the process positive information and opinion was relayed by TPR officials to WYPF along with guidance and advice that WYPF was able to act upon immediately, such as appropriate updates to the WYPF website.

TPR appeared positive about the WYPF approach and noted the amendments and changes made following the meetings and their guidance.

It was pleasing, therefore, to receive the supervisory report, attached as appendix A, on 16 June, which had an overall green (good) rating for both areas. The findings of the report and feedback on the process undertaken were discussed with TPR on a call on 4 July.

Further recommendations were made in the supervisory report including a review of the conflict of interest register, the data improvement plan and strengthening Pension Board training. WYPF will now draft and implement an action plan to address all recommendations made and meet again with TPR in 3 and 6 months to assess progress. The action plan will be also be presented to the next meeting of

the Pension Board.

Officers believe this supervisory engagement has been beneficial for WYPF.

9. OTHER CONSIDERATIONS

None

9. FINANCIAL & RESOURCE APPRAISAL

None

9. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

5. LEGAL APPRAISAL

6. OTHER IMPLICATIONS

6.1 SUSTAINABILITY IMPLICATIONS

None.

6.2 GREENHOUSE GAS EMISSIONS IMPACTS

None.

6.3 COMMUNITY SAFETY IMPLICATIONS

None.

6.4 HUMAN RIGHTS ACT

None.

6.5 TRADE UNION

None.

6.6 WARD IMPLICATIONS

None

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

None

6.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

None.

6.9 **ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT**

None.

7. **NOT FOR PUBLICATION DOCUMENTS**

None

8. **OPTIONS**

N/A

9. **RECOMMENDATIONS**

It is recommended that the Pension Board note the report and the proposed next steps following receipt of the TPR Supervisory Report.

10. **APPENDIX**

Appendix A – TPR Supervisory Report