

Report of the Managing Director, West Yorkshire Pension Fund to the meeting of West Yorkshire Pension Fund Pension Board to be held on 13 September 2023.

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Subject:

The Pensions Regulator (TPR) Supervisory Report Action Plan.

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 engagement 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.

On conclusion of the engagement TPR produced a supervisory report and their opinion is that the Fund is well managed with good governance. However, they have made recommendations to make improvements in some areas. WYPF are required to meet with TPR by the end of the year to present an action plan addressing the recommendations made.

EQUALITY & DIVERSITY:

None

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Portfolio:

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Overview & Scrutiny Area:

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1. **SUMMARY**

WYPF were chosen for supervisory engagement with the Pensions Regulator (TPR). The engagement provided the opportunity for TPR to understand how WYPF and Pension Board ensures compliance with legislation; adherence to codes of practice; and the application of good industry practice.

Whilst the TPR opinion is that the Fund is well managed with good governance they made recommendations to make improvements in some areas and in appendix A is the draft action plan demonstrating how WYPF intend to meet those recommendations.

Some recommendations made by TPR, however will form part of the WYPF Governance Review and resolution is unlikely until the review has been completed.

The Governance Review is expected to commence in September and complete by 31 January 2024.

2. **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.

WYPF have drafted an action plan, appendix A, as resolution to the recommendation made. The action plan will be presented to TPR by the end of the year.

3. **OTHER CONSIDERATIONS**

None

4. **FINANCIAL & RESOURCE APPRAISAL**

None

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

None

6. LEGAL APPRAISAL

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

None.

7.2 TACKLING THE CLIMATE EMERGENCY IMPLICATIONS

None.

7.3 COMMUNITY SAFETY IMPLICATIONS

None.

7.4 HUMAN RIGHTS ACT

None.

7.5 TRADE UNION

None.

7.6 WARD IMPLICATIONS

None

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

None

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

None.

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

None.

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

N/A

10. **RECOMMENDATIONS**

It is recommended that the Pension Board note the report.

11. **APPENDICES**

Appendix A – TPR Supervisory Report Draft Action Plan

12. **BACKGROUND DOCUMENTS**

None