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Council Meeting 1st April 2015 - Additional Minutes (2)

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Councillors

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Our Ref:

Your Ref:

27 March 2015

Dear Councillor

COUNCIL – 1st APRIL 2015

Please find attached for your attention minutes in respect of the West Yorkshire Pension Fund that have just been received and therefore were not available when the agenda was despatched on Tuesday.

Please attach these papers to your agenda for the meeting.

Many thanks.

Yours sincerely



Kevin Tomkinson
Principal Governance Officer

Minutes of a meeting of the West Yorkshire Pension Fund Joint Advisory Group held on Thursday 29 January 2015 at City Hall, Bradford

Commenced 1300

Concluded 1410

PRESENT – Councillors

<u>Bradford Members</u> M Slater (Ch) Middleton	<u>Leeds Members</u> Davey
<u>Kirklees Members</u> Firth	<u>Trade Union Representatives</u> I Greenwood – Unison L Bailey - Unison T Chard - GMB
<u>Wakefield Members</u> Forster Shaw Stokes	

Apologies: Councillor Miller (Bradford); Councillors Mather and Richards (Kirklees) Councillors Baines, Lynn and Metcalfe (Calderdale), Councillors Hanley and Harrand (Leeds), Scheme Member K Sutcliffe

19. DISCLOSURES OF INTEREST

All Councillors disclosed, in the interests of transparency, an interest in Minute 30, (Local Government Association proposals for Alternative Councillor Pension Arrangements) as potential members of any such scheme.

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: *Assistant City Solicitor*

20. MINUTES

Resolved -

That the minutes of the meeting held on 24 July 2014 be signed as a correct record.



21. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

22. REVISED ESTIMATES 2014/15 AND ORIGINAL ESTIMATES 2015/16

The report of the Director, West Yorkshire Pension Fund (**Document "M"**) presented the revised estimate for 2014/15 and the original estimate for 2015/16 for administration costs of the West Yorkshire Pension Fund (WYPF).

The report detailed substantial progress which had been made to reduce costs and that progress and the budget forecast were presented and discussed in detail. It was revealed that the original estimate for 2014/15 had been revised down to £6,814,860 which was a reduction of £92,140. Members acknowledged that expenditure must be monitored but stressed that reductions made should not increase pressure on staffing resources. Concern about any costly mistakes which could be made by officers under such pressure was expressed. The importance of retaining valuable, experienced, officers was also raised.

Governance processes for maintaining Member records were reported and measures to ensure compliance by all employers were questioned. In response it was confirmed that 99% of employers were fully engaged. One of the large employers had experienced system difficulties. They were working through those issues; were in constant engagement with officers and had provided assurances that they would be fully compliant shortly.

Resolved –

That the revised estimates for 2014/15 of £6,814,860 and the estimates for 2015/16 of £8,379,790 be approved.

ACTION: Director, West Yorkshire Pension Fund

23. DEVELOPMENTS WITHIN WEST YORKSHIRE PENSION FUND

The Director, West Yorkshire Pension Fund, presented a report (**Document "N"**) which set out developments within the West Yorkshire Pension Fund during the last year covering changes in Employers, Membership, Policies, Internal Dispute Resolution Procedure Cases, Customer Service Surveys and External Business.

A major policy development affecting pensions for civil partners was discussed and measures to ensure the changes were not detrimental to members were reported.

Resolved –

(1) That the report be noted.

(2) That the proposed policy on pensions for civil partners set out in Document "N" be approved.

ACTION: Director, West Yorkshire Pension Fund

24. **LOCAL GOVERNMENT PENSION SCHEME – LOCAL PENSION BOARD**

The Public Service Pensions Act 2013 required the Department for Communities and Local Government to make regulations that required each Local Government Pension Scheme administering authority to establish a local pension board. The City of Bradford Metropolitan District Council has to establish a board for the West Yorkshire Pension Fund by 1 April 2015 although the final regulations had not yet been published when this report was written.

The report of the Director, West Yorkshire Pension Fund (**Document “O”**) set out the process required to establish the Pension Board. The proposed Terms of Reference were appended to the report and included the objectives of the board; membership and appointment of members; the term of office, appointment and termination procedures, the intended number of meetings; the potential to create working groups/sub boards; the code of conduct; voting rights, agenda preparation and the required experience and capacity of representative members.

It was explained that the proposed Terms of Reference contained in Document “O” had been developed prior to publication of the final regulations. The regulations had been laid before parliament yesterday. The Director, West Yorkshire Pension Fund, had appraised the final regulations and it was believed that the proposals prepared, subject to some slight amendments, were in line with the final regulations.

A Trade Union representative explained that the expectations of the trade unions had been that the new board would have more authority than the scrutiny/overview function portrayed. It was believed that the West Yorkshire Pension Funds Investment Panel and Joint Advisory Groups were already providing a scrutiny/overview function. The potential for the new Pension Board Members to feel disengaged and the subsequent difficulty in attracting/recruiting members was raised as a matter for concern.

Member selection was questioned and it was explained that the political leaders would have the responsibility to select their representatives. The ability to stagger member terms of office was suggested to prevent the termination of office of all members simultaneously. It was explained that the Department for Communities and Local Government would review the regulations in the next two years.

Resolved –

- (1) That the report be noted.**
- (2) That, subject to compliance with the final regulations, the Terms of Reference for the Pension Board be agreed.**
- (3) That authority be delegated to the Director, West Yorkshire Pension Fund, to amend the Terms of Reference agreed to ensure compliance with the final regulations.**

ACTION: Director, West Yorkshire Pension Fund

25. LOCAL GOVERNMENT PENSION FUND – FUNDING STRATEGY STATEMENT

Following the introduction of the Local Government Pension Scheme 2014 West Yorkshire Pension Fund's (WYPF) Funding Strategy Statement required updating, principally relating to references to the new regulations.

The report of the Director, West Yorkshire Pension Fund (**Document "P"**) presented the Funding Strategy Statement for approval.

It was explained that Regulation 58 of the Local Government Pension Scheme Regulations 2013 required the Administration Authority to keep the Funding Strategy Statement under review and after consultation make revisions as appropriate. As a result WYPF's Funding Strategy had been updated to ensure any regulatory references reflected the LGPS Regulations 2013. A copy of the draft document had been issued to all employers and Members of the Joint Advisory Group and Investment Panel for consultation in December. No comments had been received.

Resolved –

That the West Yorkshire Pension Fund Funding Strategy Statement appended to Document "P" be approved.

ACTION: Director, West Yorkshire Pension Fund

26. SHARED SERVICE PARTNERSHIP WITH LINCOLNSHIRE PENSION FUND

Members were reminded that West Yorkshire Pension Fund had been chosen as the shared service partner to provide a pension administration service for Lincolnshire Pension Fund (LPF) from 1 April 2015. The report of the Director, West Yorkshire Pension Fund, (**Document "Q"**) described the progress made since that date to ensure that the shared service arrangement was successfully up and running by 1 April 2015.

It was reported that a shared service agreement had been signed to formally commence the work involved with the transition. A Collaboration Board consisting of senior managers from Lincolnshire and West Yorkshire Pension Fund had been set up to ensure governance arrangements for the transition and for the performance of the service were in place. A Project Board consisting of senior managers from Lincolnshire and WYPF had been constituted to oversee project activity.

Data migration was discussed and it was explained that although that process was slightly behind schedule it was expected that the migration would be completed in time for the service transfer. Staff TUPE issues were reported and it was explained that a satellite office would be maintained in Lincoln.

Staff training requirements were considered and the staff training plan reported. Joint branding had been agreed to include both the WYPF and Lincolnshire Pension Fund name and logo on letterheads, emails, newsletters and website. A sample letterhead was tabled.

Resolved –

That the report be noted.

ACTION: Director, West Yorkshire Pension Fund

27. WEST YORKSHIRE PENSION FUND COMMUNICATIONS POLICY

The Director, West Yorkshire Pension Fund, presented a report (**Document “R”**) which explained that, as part of the Local Government Pension Scheme (LGPS) Regulations 2013, West Yorkshire Pension Fund (WYPF) was required to prepare, maintain and publish a written statement setting out its policy on communications.

The Communications Policy for WYPF was appended to the report for Members’ consideration. It was explained that changes from the previous policy generally related to references to the regulations. As from 1 April 2015 the Communications Policy would apply to Lincolnshire Pension Fund and Lincolnshire Fire and Rescue Authority.

Resolved –

That the Communications Policy be approved.

ACTION: Director, West Yorkshire Pension Fund

28. PENSIONS ADMINISTRATION STRATEGY

As part of the Local Government Pension Scheme (LGPS) Regulations 2013 West Yorkshire Pension Fund (WYPF) may prepare a 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.

The report of the Director, West Yorkshire Pension Fund, (**Document “S”**) presented the draft Pensions Administration Strategy. The changes reflected the new regulations for the LGPS and revisions to working practices following those regulations, the introduction of monthly postings, and the secure employer portal.

Resolved –

That the Pension Administration Strategy, Appended to Document “S” be approved.

ACTION: Director, West Yorkshire Pension Fund

29. TRAINING, CONFERENCES AND SEMINARS

The Director, West Yorkshire Pension Fund, explained that the training of Joint Advisory Group Members to understand their responsibilities and the issues they would be dealing with was a high priority. A report was submitted, (**Document “T”**), which informed Members of training courses, conferences and seminars which may assist them. Full details of each event were available at the meeting.

Members were requested to give consideration to attending the training courses, conferences and seminars set out in Document “T”.

ACTION: All Members

30. LOCAL GOVERNMENT ASSOCIATION PROPOSALS FOR ALTERNATIVE COUNCILLOR PENSION ARRANGEMENTS

The report of the Director, West Yorkshire Pension Fund, (**Document "U"**), provided information about the proposed alternative Councillor Pension arrangements that the Local Government Association (LGA) were currently considering.

It was reported that a number of Councils had asked if the LGA would consider creating an alternative pension provision for those Councillors who no longer had access to the Local Government Pension Scheme (LGPS). In response to those requests the LGA had investigated two options, a Group Personal Pension and a Trust Based LGA scheme. Details of both options were presented in Document "U".

The Local Government Association had requested responses to consultation by 31 January 2015 and Members were requested to indicate whether, and how, they wished to respond to the Local Government Association consultation.

Members questioned the option of a Group Personal Pension scheme. It was felt that many people were already involved with such schemes and it would be difficult to attract participants. It was felt that the second option of a Trust Based LGA scheme would be more helpful but that it would incur a cost to Councils; would require a proper business plan and would be dependant upon Member numbers.

It was agreed that a third option, to allow Members to participate in Additional Voluntary Contributions arrangements which were already in place, and at no cost to Councils, would be the preferred way forward for Members. If those arrangements were unable to be pursued it was agreed that Option 2 would be the preferred alternative.

Resolved –

- (1) That the Local Government Association be requested to pursue measures to allow Councillors to access the Additional Voluntary Contributions scheme as the preferred alternative Councillor pension arrangement.**
- (2) That if Councillors were unable to access the Additional Voluntary Contributions scheme the preference of Members of the WYPF JAG for an alternative Councillor pension arrangement would be the scheme outlined as Option 2 in Document U.**

ACTION: Director, West Yorkshire Pension Fund

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Committee.

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