

Decisions of the Local Pension Board

18 December 2023

Members Present: -

Hem Savla (Vice-Chair)

Stephen Ross
Alice Leach

David Woodcock
Salar Rida

Deepani De Silva
Councillor Humayune Khalick

Apologies for Absence

Geoffrey Alderman (Chair)

1. MINUTES OF LAST MEETING

RESOLVED: That the minutes of the meeting held on 26 September 2023 be agreed as a correct record.

Matters Arising from the Minutes

Item 1 - 1. Election of the Chair

The Clerk advised the Board that guidance was sought regarding Paragraph 14.9 of their Terms of Reference, which set out the eligibility criteria regarding nominations for the Chair and Vice-Chair of the Local Pensions Board. The Board was advised that Hem Savla could remain as their Vice-Chair as no other nominations were received for the position. The Clerk informed that a working group had been set up to review the Council's Constitution and a recommendation would be made to this Body to amend Sec 14.9 of their Terms of Reference to allow more flexibility around the nominations for the Chair and the Vice Chair.

The Clerk asked whether the Board agreed for Hem Savla to remain as their Vice-Chair and following a vote it was unanimously agreed that the position be continued to be held by Mr Savla.

2. ABSENCE OF MEMBERS

Professor Geoffrey Alderman, Chair, sent his apologies to the Board.

3. DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

None.

4. PUBLIC QUESTION AND COMMENTS (IF ANY)

None.

5. DEPUTATIONS (IF ANY)

None.

6. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

7. MEMBERS' ITEMS (IF ANY)

None.

8. PENSION FUND ADMINISTRATION RISK REGISTER

The Chair welcomed Lisa Darvill, Client Relationship Manager, West Yorkshire Pension Fund (WYPF) to the Board.

The Board received the report. The Pensions Administration Risk Register has been updated and the non-administration Risk Register is currently being updated in the same format and will be presented to the Board at the next Meeting. **(ACTION)**.

Ms Darvill advised that the WYPF and Bradford IT Services had conducted a mock ransomware attack in September 2023. This exercise involved looking at two scenarios and during these periods there were additional mock cyber-attacks interjected every hour during the day. The WYPF, IT Team and Communication Team alongside Bradford IT were monitored by an external 3rd Party Team who specialises in cyber-crime. The Local Government Association Cyber Team were also present during the exercise.

The Board was advised that a report from the 3rd Party Observers was highly complementary following the exercise and that the report compiled by WYPF IT Services on the same topic would be shared with Officers **(ACTION)**. The Board was advised that WYPF Firewalls had been upgraded and cyber hackers would continue to be monitored. There will also be measures put in place to ensure procedural documentation regarding cyber security and attacks are shared between WYPF and Bradford IT.

The Chair thanked Lisa Darvill for her update to the Board and attendance.

Having considered the report, the Local Pension Board:

RESOLVED:

That the Local Pension Board noted the most recent administration risk register.

9. ADMINISTRATION PERFORMANCE REPORT AND UPDATE ON OTHER ADMINISTRATION AND LEGISLATIVE MATTERS

The Board received the report. Board members had the opportunity to consider the report and ask questions. The Board was advised that WYPF continued to perform well and that 91% of cases are completed within their Key Performance Indicator targets (KPIs). There have been two members who have accepted £500 compensation in relation to mal administration and one IDRPs is currently in progress.

The Pensions Team will be contacting and aiding London Borough Barnet Employees and deferred Scheme Members who have not enrolled or registered on the WYPF member portal. The aim is for 50% of this cohort to be registered by 31 March 24 and the longer term is to increase this figure by 75%. The Board commented that some Scheme Members would have difficulties in accessing the online portal and noted that individuals

could opt out from receiving electronic information and be sent correspondence via post if preferred. The Board advised that a scheme should be put in place to encourage Scheme Members to use the Portal and highlighted the environmental benefits and efficiencies in using the online database. **(ACTION)**. The Board recommended that Headteachers and School Business Managers be requested to promote the Portal amongst their staff members **(ACTION)**.

The Board was advised that the Draft Community and Engagement Policy would be presented to the Pension Fund Committee at their next meeting in January 24. The Pensions Myth Busting Workshops would also be held in the same month. The Board was advised that a new Pensions Regulatory Code of Practice will come into force in April 2024 and that training will be arranged regarding its contents **(ACTION)**.

The Board were reminded that the McCloud Judgement regulations came into effect on 1 October 2023 and that all affected Scheme Members would need to be contacted by the end of 31 December 2023. The Board was advised that an article would be placed in the Scheme Members Newsletter regarding the Judgement and this form of notice would be suffice. The Board were advised that the Judgement would affect a small number of Members and WYPF would review calculations regarding affected persons.

Having considered the report, the Local Pension Board:

RESOLVED

That the Local Pension Board noted West Yorkshire Pension Fund's performance levels along with the updates on other administration and legislative issues.

10. DATA IMPROVEMENT PLAN AND HISTORICAL LEAVERS

The Board received the report. Board Members had the opportunity to consider the report and ask questions. Members were advised that work on data correction was continual and reminded that WYPF had been requested to focus on ten areas of data. To date two areas have been completed and the third area is progressing slower than expected as information needs to be obtained from an external party. The release of information would allow a large segment of records to be updated. The WYPF was reported to be conducting a bulk address tracing exercise across their Schemes in 2024 and this would involve 900 scheme members.

The Board was advised that staff members accounts who were TUPED (Transfer of Undertakings (Protection of Employment) Regulations) from Capita had remained active and that the other staff would be provided new accounts by WYPF. The latter can transfer any other benefits to the Fund within one year of their employment.

Having considered the report, the Local Pension Board:

RESOLVED.

That the Local Pension Board noted the progress on the correcting of the member data and the historical leaver exercise.

11. EXTERNAL AUDIT UPDATE

The Board received their report. Members noted that the 2020 / 21 Audit had not been completed and that BDO had provided an update to the Governance, Audit, Risk Management and Standards Committee (GARMS) on 27 November 2023. At this meeting it was advised that there were still a few outstanding reviews and issues remaining with the Council's Accounts, it was communicated that these would be resolved by February 24. The commencement of 2021 / 22 and 2022/ 23 Audit has yet to be agreed by BDO and it is envisaged a plan will be presented to senior executive officers following the completion of the 2020/21 Audit.

The Board was advised that 5 key risks had been identified regarding the Pensions Fund following the 2020 / 21 Audit not being completed. The Board was advised that independent auditors may be required to directly obtain information from Fund Managers regarding Asset Values.

The contract with BDO would end following the completion of the 2021 /22 Audit and Grant Thornton UK LLP would replace the mentioned. The Board agreed that they be provided an update on the transition of services from BDO to Grant Thornton at a future meeting. (**ACTION**).

Having considered the report, the Local Pension Board:

RESOLVED

That the Local Pension Board noted the update on the 2020/21 audit, and the plan for the 2021/22 and 2022/23 audit.

12. DECISIONS MADE BY THE PENSION FUND COMMITTEE

The Board received the report. Members noted the matters that had been discussed by the Pension Fund Committee and the decisions that had been made. The Board was reminded that at the Pension Fund Committee on 2 November, the Council as an employer had made a request to review the Pensions Fund Contribution rate. Officers advised that the Committee had sought legal advice from specialist legal firm, Actuaries and Counsel about the proposal and were informed that the Council Policy around reviewing contribution rates was more restrictive than current Legislation. The Policy was viewed as being ambiguous on whether the Council, as a tax raising employer, could make such a request and it was recommended that the Policy be revised to clarify the position and other employers be consulted on the amendments. Officers reported that a consultation on the revised Policy was issued on 11 December to run over the period to 15 January. Officers further reported that an Extraordinary Pensions Committee was scheduled for 1 February to consider the revised Policy and request form the Council to review its contribution rates.

In response to questions from the Board, Officers advised that a revised contribution rate to the Fund would not have any bearings on both current and future Scheme Members as benefits were a statutory obligation of the Council and effectively guaranteed by the government. The revision would also not affect active Scheme Members contribution rates as these are set by regulations.

Having considered the report, the Local Pension Board:

RESOLVED

That the Local Pension Board noted the procedures applied by the Pension Fund Committee when reaching decisions at recent meetings and considers any issues associated with those procedures and decisions.

13. KNOWLEDGE AND UNDERSTANDING

The Board received the report and was reminded to inform Officers of any training undertaken or requirements and respond to emails sent by the Pensions Administration Team. Officers advised that the training log will be updated and would include the CIFA training undertaken by the Board Members in November 23. The Pensions Administration Team can also assist with enrolments on courses.

Having considered the report, the Local Pension Board:

RESOLVED

That the Local Pensions Board noted the training options available as set out in Appendix A.

14. COMMITTEE WORK PROGRAMME

RESOLVED:

That the Local Pension Board noted the work programme for 2023 to 2024.

15. ANY OTHER ITEM(S) THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 7.00 pm