West Yorkshire Pension Fund

REPORT AND ACCOUNTS

24
25

For the year ended 31 March 2025

West Yorkshire Pension Fund is administered by City of Bradford Metropolitan District Council

Pension Schemes Registry Number 10041078

Contents

SECTION 1 INTRODUCTION

West Yorkshire Pension Fund (WYPF) is one of the largest of the regional funds that make up the Local Government Pension Scheme (LGPS). As at 31 March 2025 WYPF had 327,632 members and 425 active employers across the UK. The largest employers in the fund are the five West Yorkshire Councils - Bradford, Calderdale, Kirklees, Leeds and Wakefield.

WYPF also provide shared service administration arrangements to three other LGPS funds and twenty four Fire and Rescue Authorities.

In total, with the Shared Service administration arrangements, WYPF serves 517,211 members and over 1,000 active employers.

Even by recent standards, 2024/25 has been an extremely busy year for the LGPS and the wider UK pensions sector. Shortly after taking office the Labour Government launched stage 1 of its Pension Review, seeking to explore how pension schemes can help drive UK economic growth, with the LGPS being a key focus.

This was followed by the 'LGPS – Fit for the Future' consultation being launched in November 2024, which proposed a number of measures to relating to LGPS asset pooling and, perhaps surprisingly, a number of long-awaited measures arising from the Scheme Advisory Board's Good Governance review.

WYPF had been carrying out its own governance review and has recently made some changes to its governance arrangements, replacing the Investment Advisory Panel and Joint Advisory Group with a single WYPF Advisory Panel. We are hopeful that this will align well with measures being introduced by Government, the details of which will likely appear in regulations and guidance over the next year; but it is clear that Government expects LGPS pension committees to take a more high-level strategic focus on investments, rather than make detailed asset allocation decisions. WYPF is working closely with its Northern LGPS Pool partners to ensure Pool and fund governance arrangements are well aligned and can continue to deliver strong net investments returns.

Moving to a single advisory panel will allow more efficient consideration of matters that bridge both investment and administration, such as the actuarial valuation and wider-discussions around scheme funding.

The funding of defined benefit pensions schemes is a long-term endeavour, with actuarial assumptions typically being set with a time-horizon of 20 years or more. However, early indications from the actuary is that experience over the 3 years since the last valuation is very close to the assumptions made, with WYPF delivering an investment return of 4.3% per annum and, as expected, inflation returning to a more-typical level after its spike in 2022 and 2023.

2024/25 was another solid year for investments, although many global stock-markets fell back from all-time highs in the last few weeks of the year due in part to concerns over the implications for economic growth of the US Government introducing tariffs, or increasing existing tariffs, on many imported goods. The US dollar also retreated, which reduces the value of WYPF's assets in UK sterling terms. Whilst listed equities are still by far WYPF's biggest allocation, we hold an increasingly diversified portfolio and most other asset classes also delivered single-digit positive returns over the year.

WYPF's provisional investment return for the year is 3.9%, which is the fifth consecutive year of positive returns. WYPF's assets were valued at a record year-end high of nearly £20 billion at the end of March 2025.

Another aspect of the Government's LGPS investment reforms is to set out a protocol for sourcing and appraising local investment opportunities, and local-investment has been a key strength of the Northern LGPS Pool. I am pleased to note that WYPF has recently invested, alongside our pooling partners, in two-high profile brownfield housing developments in Leeds, which will deliver 1,000 new homes when complete. These investments help support our *Sustainable Cities and Communities* investment belief.

Another of our investment beliefs is Increased Investment in Climate Solutions and WYPF has this year made a particularly interesting investment by purchasing a 25% stake in a start-up fund manager, Rebalance Earth, which focusses on making nature an investable asset class.

https://www.rebalance.earth/

WYPF's administration service continues to perform to a very high standard in a continually challenging environment. An updated WYPF website was launched during the year after consultation with member focus groups and WYPF's shared service partners to enhance the content and branding. An updated member portal with enhanced functionality will also be launched shortly which will help to drive an increasingly digital member offering.

We believe we are well prepared to connect to the Pensions Dashboards infrastructure this autumn and we look forward to this helping to increase individuals' awareness of, and engagement with, their pension benefits, which could also be a long-term driver of economic growth.

Whilst much of the public focus is on the potential for collaboration and economies of scale in LGPS investments, this is also very important in administration. WYPF has demonstrated the benefits of collaboration in its shared service arrangements. Administration costs per member were £20.74 in 2024/25. This is a relatively material increase on the previous year, largely due to the delivery of significant projects such as implementing the McCloud remedy, but will once again be one of the lowest costs in the LGPS. However, low cost does not come at the expense of serving members and reassuringly WYPF continues to score very highly on quality in the CEM benchmarking studies that it participates in each year.

As WYPF completes its 2024/25 year, I would like to once again extend my thanks to all members of the bodies that provide oversight of WYPF for their valuable contributions over the past year. I would also like to thank officers, advisors, fund members and employers for their continued support.

Councillor Andrew Thornton
Chair of the WYPF Advisory Panel

SECTION 2 OVERALL FUND MANAGEMENT

Overview and legal status of West Yorkshire Pension Fund

West Yorkshire Pension Fund (WYPF) is part of the Local Government Pension Scheme (LGPS). The LGPS is a statutory scheme and benefits are paid under the provisions of the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and other applicable legislation. The government issues local government pension scheme guidance and regulations through the Department for Levelling Up, Housing and Communities (DLUHC) and as such these have the force of law.

Administering authority

City of Bradford Metropolitan District Council is the administering authority for WYPF. Bradford Council's administering authority responsibilities are met by WYPF's in-house pensions administration and investment teams. WYPF's Pension Schemes Registration number with HMRC is 10041078. Contributing members of the scheme were contracted out of the State Second Pension until 5 April 2016 when the State Second Pension was abolished and replaced by a single-tier state pension. The result is that employers and members now pay full Class 1 National Insurance Contributions (NICs) and members will benefit from the single-tier state pension.

Full legal name of WYPF is:

City of Bradford Metropolitan District Council as the Administering Authority of West Yorkshire Pension Fund

WYPF Head Office is in Bradford:

West Yorkshire Pension Fund
(Administered by City of Bradford Metropolitan District Council)
Aldermanbury House
4 Godwin Street
Bradford
BD1 2ST
United Kingdom Phone **01274 434999**
Website www.wypf.org.uk
Email pensions@wypf.org.uk

The Bradford office is open Monday to Friday from 8:45am to 4:30pm.

WYPF Lincolnshire Office:

West Yorkshire Pension Fund
WYPF Shared service office
Lincolnshire County Council
County Offices, Newland, Lincoln
LN1 1YL
United Kingdom
Phone **01274 434999**
Website www.wypf.org.uk
Email pensions@wypf.org.uk

The Lincoln office is open Monday to Friday from 9:00am to 4:00pm.

Members of the WYPF Joint Advisory Group

Bradford Council		
Cllr Andrew Thornton **Chair**	Cllr Geoff Winnard **Deputy Chair**	Cllr Paul Godwin
Calderdale Council		
Cllr Katie Kimber	Cllr Colin Hutchinson	Cllr Chris Pillai
Kirklees Council		
Cllr Beverley Addy	Cllr Eric Firth	Cllr Harry McCarthy
Leeds Council		
Cllr Andrew Scopes	Cllr Ryan Stephenson	Cllr Hannah Bithell
Wakefield Council		
Cllr Deb Nicholls	Cllr Hilary Mitchell	Cllr David Pickersgill
Trade union representatives		
Liz Bailey – UNISON	Tristan Chard – GMB	Andrew Goring – UNISON
Scheme member representatives		
Neil Warren – Wakefield District Housing		
Representative from Finance Directors of the councils of West Yorkshire		
Steven Mair – Interim Director of Finance/S151 Officer, Bradford Council		

Members of the WYPF Investment Advisory Panel

Bradford Council		
Cllr Andrew Thornton **Chair**	Cllr Geoff Winnard	
Calderdale Council		
Cllr Colin Hutchinson	Cllr Katie Kimber	
Kirklees Council		
Cllr Eric Firth	Cllr Beverley Addy	
Leeds Council		
Cllr Andrew Scopes	Cllr Ryan Stephenson	
Wakefield Council		
Cllr Hilary Mitchell	Cllr David Pickersgill	
Trade union representatives		
Liz Bailey – UNISON	Tristian Chard – GMB	Andrew Goring – UNISON
West Yorkshire Pension Fund		
Euan Millier - Managing Director		
External advisors		
Marian George	Philip Hebson	Mark Stevens
Representative from the Finance Directors of the councils of West Yorkshire		
Victoria Bradshaw – Chief Financial Officer, Leeds Council		
Scheme member representatives		
Phil Cole	Chris Greaves	

Members of the WYPF Local Pension Board

Employer representatives

Cllr Shakeela Lal **Chair** Bradford MDC	Cllr Mahalia France-Mir Leeds City Council	Cllr Kevin Swift (Joined July 24) Wakefield MDC
Cllr David Pickersgill Wakefield MDC (Left April 2024)	David Butcher (Left July 24) Leeds Trinity	Vacancy

Member representatives	Philip Charlton - GMB	Isaac Dziya - Unison
Mick Binks – Unison		
Shane Brand-Robinson – Unite		

Appointed service providers and advisers

Actuarial services	Aon 1 Redcliff Street Bristol BS1 6NP	**Auditors**	Forvis Mazars LLP 5th Floor 3 Wellington Place Leeds LS1 4AP

AVC providers	Utmost Life and Pensions Walton Street Aylesbury Bucks HP21 7QW	Scottish Widows PO Box 902 15 Dalkeith Road Edinburgh EH16 5BU		Prudential Lancing BN15 8GB
Banking Services	HSBC 8 Canada Square Canary Wharf London E14 5HQ		**Custodial Services**	Northern Trust One Canada Square Canary Wharf London E14 5AB
Independent Investment Advisors	Marian George, Philip Hebson, Mark Stevens.	Contact at WYPF, Ground Floor, Aldermanbury House, 4 Godwin Street, Bradford. BD1 2ST	**Legal Adviser**	J Field - Director of Legal and Governance City of Bradford Metropolitan District Council City Hall Bradford BD1 1HY
Northern Local Government Pension Scheme Pool (NLGPS)	Pool funds - GMPF, MPF and WYPF	Guardsman Tony Downes House, 5 Manchester Road, Droylsden M43 6SF		
Pensions Administration Software	Civica Plc Vanguard House Dewsbury Road Leeds LS11 5DD		**Section 151 officer**	S Mair - Interim Director of Finance/S151 Officer, Bradford Council City of Bradford Metropolitan District Council Britannia House Bradford BD1 1HX

WYPF senior management team

Managing Director – West Yorkshire Pension Fund	Euan Miller Phone 01274 434517 E-mail euan.miller@wypf.org.uk

WYPF Administration

Assistant Director Finance, Admin & Governance	Yunus Gajra Phone 01274 432343 E-mail yunus.gajra@wypf.org.uk	**Head of Finance**	Ola Ajala Phone 01274 434534 E-mail ola.ajala@wypf.org.uk
Head of Employer Services & Compliance	Caroline Blackburn Phone 01274 434523 E-mail caroline.blackburn@wypf.org.uk	**Head of Service Centre Group**	Haroon Rashid Phone 07870 990627 E-mail haroon.rashid@wypf.org.uk

Head of Governance & Business Development	Matthew Mott Phone 07815 476877 E-mail matt.mott@wypf.org.uk		

WYPF Investments

Chief Investment Officer-West Yorkshire Pension Fund	John Dewey Phone (not known) E-mail john.dewey@wypf.org.uk		
Assistant Director – UK	Joanna Wilkinson Phone 01274 432038 E-mail joanna.wilkinson@wypf.org.uk	**Assistant Director - Overseas**	Colin Standish Phone 01274 432748 E-mail colin.standish@wypf.org.uk
Assistant Director – Private Markets	Simon Edwards Phone 01274 432783 E-mail simon.edwards@wypf.org.uk	**Head of Alternatives**	Darran Ward Phone 01274 437642 E-mail darran.ward@wypf.org.uk

WYPF risk management

The full risk management report for WYPF is provided in Appendix I: Risk Management and risk management of investments in Note 23 within SECTION 4: FUND ACCOUNT, NET ASSETS STATEMENT AND NOTES of this Report and Accounts.

SECTION 3 GOVERNANCE AND TRAINING

Annual Report of the West Yorkshire Pension Fund Pension Board 2024/2025

Introduction

I am pleased to present the report of the Local Pension Board for West Yorkshire Pension Fund (WYPF) for the year 2024/2025.

The WYPF Pension Board was established as a result of the Public Sector Pensions Act 2013, which required all public sector pension schemes to set up a representative local pension board by 1 April 2015. The board operates independently from both the Joint Advisory Group (JAG) and Investment Advisory Panel (IAP). The role of the pension board is to assist City of Bradford Metropolitan District Council as the administering authority of the WYPF in securing compliance with all regulations and legislation and to help ensure the effective, efficient governance and administration of the scheme.

Local Pension Boards have no executive powers. The Board can scrutinise compliance with regulations and call WYPF officers or the WYPF Joint Advisory Group and Investment Advisory Panel to account, but we are not a decision-making body. The aim of the Board is to focus our discussions on providing scrutiny of WYPF's decision-making process and provide input from the perspective of scheme members and employers.

Governance arrangements

The governance arrangements of the fund and relationship with the Scheme Manager (City of Bradford MDC), Local Pension Board, Joint Advisory Group and Investment Advisory Panel are detailed in the fund's Governance Compliance Statement (Appendix E) which can also be found on the funds website at: https://www.wypf.org.uk/media/ksnevyut/governance-compliance-statement.pdf

Constitution and membership

Local Pension Boards must contain an equal number of employer and scheme member representatives. WYPF's Pension Board has been established with four employer and four member representatives.

During 2023/24 one of the Member Representative left the Board – Mark Morris from Unite. Also Employer Representatives Councillor Martin from Leeds CC and Councillor Malkin from Wakefield MDC gave notice they would leave the Board. I would like to thank them all for their support during their tenure.

The Board had an Employer Representative vacancy from the previous year, 2023/24. However, I'm very pleased to inform you that this vacancy was filled by a new member in April 2024 – Cllr Kevin Swift from Wakefield MDC. With effect from December 2024 David Butcher from Leeds Trinity left the Pension Board. This position currently remains vacant.

The membership of the board at the end of 2024/25 is listed below:

Employer Representatives

- Councilor Shakeela Lal (Chair) – City of Bradford MDC
- Councilor Kevin Swift - Wakefield MDC (Joined July 2024)
- Cllr David Pickersgill – Wakefield MDC (Left April 2024)
- Councilor Mahalia France-Mir – Leeds CC
- David Butcher – Leeds Trinity (Left December 2024)
- 1 vacancy

Member Representatives

- Mick Binks – Unison
- Isaac Dziya – Unison
- Phillip Charlton – GMB
- Shane Brand-Robinson - Unite

Information about the board members and their contact details, are available on the WYPF website via the following link:

https://www.wypf.org.uk/wypf/wypf-documents-and-boards/

Meetings

During the year the board held four meetings:

- 18 July 2024
- 05-Sep-24
- 28-Nov-24
- 13-Mar-25

Information about the board, including minutes of board meetings, is available on the Bradford Council website via the following link:

https://bradfordintranet.moderngov.co.uk/ieListMeetings.aspx?CId=286&Year=0

The work programme

Services to members and employers continues to be high on the Board's agenda. The meetings during the year received the following reports:

- Minutes of the Joint Advisory Group meetings
- Updates to the Pensions Administration Strategy
- Proposed updates to the Funding Strategy Statement
- Register of Breaches of Law
- Local Government Pension Scheme updates
- 2024/25 WYPF Service Budget
- Training conferences and seminars
- Minutes of Investment Advisory Panel
- Report and Accounts
- Audit Plan
- 2024 Annual Benefit Statement Exercise
- Data Improvement Plan
- McCloud Planning
- Risk Register
- Communication Strategy
- Pensions Dashboard
- WYPF Pensions Administration report
- Training Strategy
- TPR General Code of Practice
- Death Grants
- CEM Benchmarking
- TPR Supervisory Report

Training delivered during Pension Board meetings:

- LGPS Additional Contributions
- WYPF website
- Pension Scams

Pension Board attendance and training completed in 2024/25

	Pension Board Attendance	TPR Toolkit (7 modules)	TPR Toolkit (Scams Module)	LOLA (6 modules)	In Board Training	Fundamentals LGA Training	Conferences	National Knowledge Assessment	Valuation Training
Employer Representative									
Cllr Shakeela Lal	4				1		LGA Governance		
Cllr Mahalia France-Mir	2								
Cllr Kevin Swift	3				1				
David Butcher (Left Dec 24 now vacant)	2				2				
Mick Binks	3				1		PLSA Conference		P
Phillip Charlton	1						LGA Governance.	✓	P
Isaac Dziya	4				1		CIPFA, LGC, PLSA, LAPFF, PLSA trusteeship part 1, PLSA trusteeship part 2, Trustee senate residential, AMNT Conference		
Shane Brand-Robinson	0								

Conclusion

This is the ninth report of the WYPF Pension Board. WYPF’s membership, employer base and administration service will continue to evolve, as will the role of the Board in providing support and constructive challenge. I would like to thank all members of the Board for their valuable contributions over the year and our officers and advisers for their continued support and assistance

Councillor S Lal Chair of WYPF Pension Board

SECTION 4 FINANCIAL PERFORMANCE

Financial Performance – analytical review

The following table identifies movements in the fund account based on expenditure between 31 March 2024 and 31 March 2025 and provides reasons for variances. The full financial statements are within section 4 – Statement of accounts of this document.

Statutory accounts financial performance variance 2025 versus 2024

Table A – dealing with members and employers

Dealings with members, employers and others directly involved in the fund	31-Mar-25 £000	31-Mar-24 £000	Variance £000	Notes on significant variances
Contributions receivable	588,330	521,117	67,213	Decrease number of active members, average employer rate has increased.
Transfers In	65,150	46,694	18,456	Increased number of new members joining WYPF employers and transferring their pension savings to WYPF.
Non-statutory pensions and pensions increases recharged	20,748	20,708	40	No significant change.
Benefits payable	(782,585)	(689,430)	(93,155)	Increased number of members in receipt of pension benefits and pension inflation increase of 6.7%
Non-statutory pensions and pensions increase	(20,748)	(20,708)	(40)	No significant change.
Payments to and on account of leavers	(47,926)	(29,548)	(18,378)	No significant change.
Management expenses	(16,721)	(14,421)	(2,300)	Impact of increased investment in pension services. In addition, there has been an increase in investment activities.

Table B – fund assets performance

Returns on investments	31-Mar-25 £000	31-Mar-24 £000	Variance £000	Notes on significant variances
Investment income	589,904	571,926	17,978	Increased dividend payout from companies and increased number of assets globally.
Taxes on income	(12,465)	(7,739)	(4,726)	Increased tax from increased income
Profit and losses on disposal and changes in value of investments	185,544	980,466	(794,922)	Negative market performance in the year, driven by overseas equities.
Stock lending	1,719	1,448	271	Stock lending activities has increased.
Net return on investments	**764,702**	**1,546,101**	**(781,399)**	Negative market impact of investment asset values.
Net increase/(decrease) in the net assets	**570,950**	**1,380,513**	**(809,563)**	Negative market impact of investment asset values.
Opening net assets of the fund	**19,353,631**	**17,973,118**	**1,380,513**	Positive global financial market
Closing net assets of the fund	**19,924,581**	**19,353,631**	**570,950**	Stable 3% increase of the net asset value because of stable financial market.

Fund account three-year forecast and two-year outturn

The table below shows a three-year budget estimate 2025/26 to 2027/28 and outturn figures for 2023/24 and 2024/25.

Fund account – estimates and actual	2027/28 Estimate £000	2026/27 Estimate £000	2025/26 Estimate £000	2024/25 Outturn £000	2023/24 Outturn £000
Dealings with members, employers and others directly involved in the fund					
Contributions receivable	606,100	600,100	594,200	588,330	521,117
Transfers in	67,200	66,500	65,800	65,150	46,694
Non-statutory pensions and pensions increases recharged	21,400	21,200	21,000	20,748	20,708
Total income from members and employers	**694,700**	**687,800**	**681,000**	**674,228**	**588,519**
Benefits payable	(871,400)	(829,900)	(790,400)	(782,585)	(689,430)
Non-statutory pensions and pensions increase	(21,400)	(21,200)	(21,000)	(20,748)	(20,708)
Payments to and on account of leavers	(53,300)	(50,800)	(48,400)	(47,926)	(29,548)
Total payments to members	**(946,100)**	**(901,900)**	**(859,800)**	**(851,259)**	**(739,686)**
Management expenses	**(18,600)**	**(17,700)**	**(16,900)**	**(16,721)**	**(14,421)**
Returns on investments					
Investment income	656,900	625,600	595,800	589,904	571,926
Taxes on income	(13,900)	(13,200)	(12,600)	(12,465)	(7,739)
Profit and losses on disposal of and changes in value of investments	206,600	196,800	187,400	185,544	980,466
Stock lending	1,900	1,800	1,700	1,719	1,448
Net return on investments	**851,500**	**811,000**	**772,300**	**764,702**	**1,546,101**
Net increase in the net assets available for benefits during the year	581,500	579,200	576,600	570,950	1,380,513
Opening net assets of the	21,442,431	20,863,231	20,286,631	19,353,631	17,973,118
Closing net assets of the fund	**22,023,931**	**21,442,431**	**20,863,231**	**19,924,581**	**19,353,631**
% Increase in net assets	**2.71%**	**2.78%**	**2.84%**	**2.95%**	**7.17%**

Estimates are based on straight line projection of outturn figures in previous years, adjusted for the fund's operational activities, with the exception of management expenses which are based on current costs of operational activities and our business plans.

Management expenses forecast and outturn report

The table below gives the management cost forecast for 2025/26 to 2028/29 and outturn figures for 2023/24 and 2024/25.

	2028/29 Estimate £000	2027/28 Estimate £000	2026/27 Estimate £000	2025/26 Estimate £000	2024/25 Estimate £000	2024/25 Outturn £000	2024/25 Budget £000	2024/25 Variance £000	2023/24 Outturn £000
Expenditure									
Accommodation	590	560	530	500	424	412	424	12	441
Actuary	380	360	340	320	200	267	200	(67)	286
CBMDC Support Services	820	780	740	700	851	606	851	245	604
Computer	2,960	2,820	2,690	2,560	2,328	2,403	2,328	(75)	2,165
Contingency - Invest to save	870	830	790	750	750	-	750	750	-
Employees	16,260	15,490	14,750	14,048	13,253	12,252	13,253	1,001	11,214
External Management Cost	1,080	1,030	980	935	850	439	850	411	117
Other Running Costs	1,590	1,510	1,440	1,368	1,244	1,588	1,244	(344)	1,303
Printing & stationery	470	450	430	414	376	365	376	11	426
Transaction Costs	2,420	2,300	2,190	2,090	1,900	2,544	1,900	(644)	1,620
Total expenditure	**27,440**	**26,130**	**24,880**	**23,685**	**22,176**	**20,876**	**22,176**	**1,300**	**18,176**
Income									
Other Income	(350)	(330)	(310)	(298)	(271)	(512)	(271)	241	(298)
Shared Service Income	(4,350)	(4,140)	(3,940)	(3,748)	(3,408)	(3,642)	(3,408)	234	(3,457)
Total income	**(4,700)**	**(4,470)**	**(4,250)**	**(4,046)**	**(3,679)**	**(4,154)**	**(3,679)**	**475**	**(3,755)**
Total	**22,740**	**21,660**	**20,630**	**19,639**	**18,497**	**16,722**	**18,497**	**1,775**	**14,421**

Estimates shown above are based on current costs of operational activities and our current and future business plans. Variances between the revised estimate and outturn for 2024/25 are mainly due to:

Expenditure

- **Accommodation** underspend by £12k due to energy cost reduction and underspend reduced adverse impact from cyclical maintenance pressures.
- **Actuary cost** overspend of £67k due to increase work with Aon on empoyers covenant and further work being carried out on funding strategy and other governance work.
- **CBMDC** Support Services underspend of £245k, this may change if Bradford were to update the central support charging model for all services.
- **Computer** overspend of £75k, improvements in IT services across the fund.
- **Invest to save** resources has no cost allocated, £750k underspend. We used staff underspend and increased income to fund service improvement projects across WYPF.
- **Employees** underspend of £1,001k, due to vacancies and cost of pay award being lower than provision.
- **External management cost** underspend of £411k, 4 substantial properties were purchased in 2024/25 - total valuation £88m (management cost of £439k, translates to 5pbs).
- **Other running costs** overspend of £344k, cost pressures on legal costs, bank charges, training portal subscriptions and increased audit fees due to delayed Bradford Account final audit work on 2021/22 to 2023/24.
- **Printing and stationery** underspend of £11k, increased postage costs and increase in member numbers and shared service partners.
- **Transaction costs** overspend of £644k. It is difficult to predict this spend, and it is dependent on our activities in financial markets and any dynamic strategy we pursue to manage investment performance and maintain investment strategy.

Income

- **Other income** extra income of £241k, impact of increase recharges due to increased work for treasury, IDRP etc.
- **Shared service income** extra income of £234k, direct result of increased member number and shared service partners.

Changes to non-investment assets & liabilities

Non-investment assets and liabilities	Notes	2024/25	2023/24
		'£000	'£000
Current assets			
Debtors	20	72,131	68,022
Current liabilities			
Creditors	21	(37,867)	(47,409)
Net current assets and liabilities		**34,264**	**20,613**

Debtors have increased in 2024/25 due to contributions owed from employees and employers compared to 2023/24 and Creditors has decreased due to clearance of amount owed to Bradford Council for support services during the year.

Employers and employees contributions as a percentage of pensionable pay

Contribution rates payable	2022 valuation	2019 Valuation
3 year average total employer contribution rate	16.6% of pay	16.6% of pay
Average employee contribution rate (% of pay)	6.4% of pay	6.3% of pay

Benefits paid

West Yorkshire Pension Fund pays almost 117,000 pensioners and beneficiaries with a gross annual pension payroll was £782m for West Yorkshire members. The Fund also pays pensions to members of pension funds participating in our shared services administration arrangements. Only payments to West Yorkshire Pension Fund members are charged to the account in this financial statement.

Pension overpayment

Occasionally pensions are paid in error. When this happens, we have processes in place to recover the overpayments. The table below shows a summary of the value of the overpayments involved. Every effort is made to recover these, whilst managing the financial and social impact on overpaid pensioners.

Overpayments	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
	£000	£000	£000	£000	£000	£000
Annual payroll	782,585	689,430	606,566	591,305	550,077	553,082
Overpayments	281	1,258	642	409	440	331
Overpayments written off	21	0	0	0	8	27
Overpayments recovered	222	223	265	175	238	62

The table below shows a summary of transactions processed during the year:

Analysis of overpayments	2024/25	2023/24	2022/23	2021/22	2020/21	2019/20
	No. of payments	No. of payments	No. of payments	No. of payments	No. of payments	No. of payments
Number of pensions paid	1,372,360	1,319,475	1,271,730	1,227,740	1,173,770	1,160,604
Number of cases overpaid	383	535	628	435	375	295
Number of cases written off	59	0	0	0	0	36
Number of cases recovered	268	395	437	317	295	225

Fraud prevention – National Fraud Initiative

West Yorkshire Pension Fund takes part twice a year in the National Fraud Initiative (NFI). The data that is submitted by the fund includes pensioners, beneficiaries and deferred member information for LGPS and fire services pension members managed by the fund.

A summary of the five-year results of these exercises is shown below.

	Number of records sent	Number of mismatches	Number of mismatches %	Overpayments	Overpayments %	Possible Frauds	Mismatches carried forward at 31 March
2024/25	350,354	2,600	0.70	20	0.00	0	13
2023/24	338,572	1,591	0.47	26	0.00	2	17
2022/23	329,082	2,379	0.72	24	0.01	0	10
2021/22	288,636	1,685	0.58	15	0.01	0	22
2020/21	286,429	963	0.34	4	0.00	0	1
2019/20	277,293	3,845	1.39	17	0.01	2	10
2018/19	260,387	3,339	1.28	3	0.00	2	2

Internal audits completed during 2024/25

The internal audit function for the West Yorkshire Pension Fund is carried out by Bradford Council; each year an agreed number of planned audits are performed on financial systems, service operations, and procedures across the organisation. Listed below is a summary of reviews that were carried out during the financial year 2024/25.

Transfers In

When new employees join the WYPF as members, previous LGPS or other Pension Fund benefits can be transferred into the WYPF. This audit looked at the arrangements surrounding these Transfers In and found that control was of an excellent standard with no improvements required.

Fire Services new Pensions and Lump Sums – Deferred Members

WYPF provide an administration service for 24 Fire and Rescue Authorities across the country, under a shared service agreement. This audit examined the administration of deferred benefits as a result of an employee leaving their post but not claiming their pension. The control environment was found to be of a good standard, with one High Priority recommendation being made resulting from a mis-coded lump sum.

Northern LGPS Governance Arrangements

The Northern LGPS (investment pool) was formed as a partnership between the West Yorkshire Pension Fund (Bradford Council), Merseyside Pension Fund (Wirral Council), and Greater Manchester Pension Fund (Tameside Council), in reaction to Central Governments, Local Government Pension Scheme Investment Reform Criteria and Guidance issued in November 2015. This audit was a high level review of the arrangements which support the partnership which makes up the Northern LGPS and examines governance, legal support and compliance with the Government's Investment Reform Criteria. The work was undertaken in collaboration with Internal Audit colleagues at Tameside and Wirral Councils. The arrangements were found to be of a good standard with three High Priority recommendation being made covering inclusion of risks on the WYPF risk register and compliance with Council contract standing orders in the event of NLGPS procurement exercises.

New Pensions and Lump Sums – Normal and Early Retirements

This audit examined the calculation of the pension benefits for those members who have taken the decision to retire either at their normal retirement age or early with reduced benefits. The control environment for this process was found to be of an excellent standard with no recommendations being required.

Admission of New Bodies

Under the Local Government Pension Scheme Regulations, certain employers are allowed to participate in the fund if they satisfy the relevant criteria as set out in the Pension Regulations. This audit, therefore, examined the controls in place surrounding the admission of employer bodies. The control environment was deemed to be of a good standard, two recommendations for further improvement were made.

Recruitment and Selection

Controls surrounding recruitment and selection processes within the WYPF were examined in detail ensuring that appropriate Council policies and procedures were followed. The audit found a good standard of control to be in place with four High Priority recommendations being made to further improvement in future recruitment exercises.

UK and Overseas Unit Trusts Property

This audit covered investment in UK and Overseas Private Equities. Control of investment in this asset class was found to be of a good standard, with one recommendation for improvement being required.

LGPS Annual Benefit Statements

All active and deferred members of the LGPS are required to receive an Annual Benefit Statement by the 31st August each year. This provides a number of pension details for the members and the details that WYPF holds in relation to qualifying service and current remuneration. The statements are calculated from information provided by the member's employer on their monthly returns. The control environment surrounding this process was found to be of a good standard with only one low priority recommendation for improvement.

Fire Service Annual Benefit Statements

As above, all active and deferred members of the Fire Schemes receive an Annual Benefit Statement by the 31st August each year. The control environment surrounding this process was of a good standard, with one recommendation being made which resulted from system calculation issues as a result of the McCloud remedy and which caused some delays in issuing the Benefit Statements.

Review of the West Yorkshire Pension Fund 2023/24 Accounts

This is an annual review process, which ensures the Report and Accounts are consistent with internal control reviews carried out by Internal Audit during the year.

UK and Overseas Private Equities

This audit covered investment in UK and Overseas Private Equities, not included in those investments made through NPEP. Control of this asset class was found to be of an excellent standard, therefore no recommendations for improvement were required.

Treasury Management

This audit reviewed the arrangements in place for Treasury Management, to ensure that surplus cash is invested in the most appropriate ways. Controls in this area were found to be excellent.

Glossary of Terms

A glossary of commonly used pension fund terms can be found in Appendix B: Glossary of Terms.

SECTION 5 FUND ACCOUNT, NET ASSETS STATEMENT AND NOTES

Pension Fund Accounts and Notes **Page Number**

NOTES TO THE PENSION FUND ACCOUNT

Pension Fund Account

2023/24 £'000		2024/25 £'000	Note
	Dealings with members, employers and others directly involved in the fund		
521,117	Contributions receivable	588,330	*6*
46,694	Transfers in	65,150	*7*
567,811		**653,480**	
	Benefits payable:		
(689,430)	Benefits payable	(782,585)	*9*
(29,548)	Payments to and on account of leavers	(47,926)	*10*
(718,978)		**(830,511)**	
(151,167)	**Net additions/(withdrawals) from dealing with members**	**(177,031)**	
(14,421)	Management expenses	(16,721)	*13*
(165,588)	**Net additions/(withdrawals) including management expenses**	**(193,752)**	
	Returns on investments		
571,926	Investment income	589,904	*15*
(7,739)	Taxes on income	(12,465)	*15a*
980,466	Profit and losses (-)on disposal of and changes in value of investments	185,544	*17*
1,448	Stock lending	1,719	*17b*
1,546,101	**Net return on investments**	**764,702**	
1,380,513	**Net Increase (decrease) in the net assets available for benefits during the year**	570,950	
17,973,118	**Opening net assets of the scheme**	19,353,631	
19,353,631	**Closing net assets of the scheme**	**19,924,581**	

Net Assets Statement

2023/24 £'000		2024/25 £'000	Note
	Investment assets		
1,549,630	Bonds	2,744,969	17
11,463,748	Equities (including convertible shares)	11,670,558	17
998,698	Index-linked securities *	-	
4,363,665	Pooled investment vehicles	4,519,260	17
6,200	Direct Property	94,200	17
760,571	Cash deposits	508,199	17
107,244	Cash at bank	278,274	17
86,310	Other investment balances	80,586	17
	Investments liabilities		
(3,048)	Other investment balances	(5,729)	17
19,333,018	**Investments at 31 March**	**19,890,317**	
	Current assets		
68,022	Debtors	72,131	20
	Current liabilities		
(47,409)	Creditors	(37,867)	21
20,613	**Net current assets and liabilities**	**34,264**	
19,353,631	**Net assets of the fund available to fund benefits at the end of the reporting period**	**19,924,581**	

NOTE: The financial statements for West Yorkshire Pension Fund do not take account of liabilities to pay pensions and other benefits after 31 March 2025. This financial statement shows the net value of assets owned by the Fund, the actuarial calculation of the present value of promised retirement benefits is provided in Note 12.

* Index-linked securities have been reclassified to Bonds in 2024/25 in line with the Code of Practice on Local Authority Accounting in the UK 2024/25.

Notes to the Pension Fund Account

Note 1: Operations and Membership

The West Yorkshire Pension Fund (WYPF) provides for the payment of defined pension benefits to members or their dependants, from participating employers. It publishes its own detailed report and accounts document, which is available on the WYPF website address https://www.wypf.org.uk/wypf/wypf-documents-and-boards/

Administering Authority – City of Bradford Metropolitan District Council is the administering authority for the Fund, and as such has statutory responsibility for the management and administration of the Fund. The Fund's entire investment portfolio is managed within the Northern LGPS on a day to day basis in-house supported by the Fund's external advisors.

Legal Status – WYPF is a statutory scheme, and the benefits are paid out under the provisions of the Local Government Pension Scheme Regulations (2013). It has been classified as a registered public service pension scheme under Chapter 2 of Part 4 of the Finance Act 2004.

The scheme is governed by the Public Service Pensions Act 2013.

The Fund is administered in accordance with the following secondary legislation

- The Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016

Management – The West Yorkshire Pension Fund Joint Advisory Group is responsible for advising on the administration of the Fund. The group is made up of three elected members from each of the five West Yorkshire Metropolitan District Councils (MDCs), three Trade Union representatives and two Scheme members. The Investment Advisory Panel is responsible for advising on the investment of the Fund and comprises three elected members from each of the five West Yorkshire Metropolitan District Councils, three trade union representatives, three external investment advisors, two scheme members, the Managing Director – West Yorkshire Pension Fund and a Chief Financial Officer from the West Yorkshire District Councils on a two-year rotational basis

Participating employers – There were 444 participating employers during the year, 22 left in the year, leaving 422 actives at 31st March 2025 (In 2023/24 there were 448 participating employers during the year, 39 left in the year leaving 409 active employers as at 31st March 2024), whose employees were entitled to be contributors to the Fund.

Membership – Total membership as at 31st March 2025 is 327,632 (31st March 2024 is 323,414).

31-March-2024		31-March-2025
107,102	Number of employers with active members	107,023
112,780	Pensioner members	117,309
103,532	Members with preserved pensions	103,300
323,414	**Total members**	**327,632**

Benefits payable

On 1st April 2014, LGPS pensions became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is increased annually in line with Consumer Prices Index. Prior to April 2014 pension benefits under the LGPS were based on final pensionable pay and length of pensionable service as summarised below:

	Service pre 1 April 2008	Service post 31 March 2008
Pension	Each year worked is worth 1/80 x final pensionable salary	Each year worked is worth 1/60 x final pensionable salary
Lump sum	Automatic lump sum of 3 x pension. In addition, part of the annual pension can be exchanged for a one off tax free cash payment. A Lump sum of £12 is paid for each £1 of pension given up.	No automatic lump sum. Part of the annual pension can be exchanged for a one off tax free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

Pension liability –

Under IFRS the Fund is required to disclose the actuarial present value of promised retirement benefits. This is disclosed in Note 12 and does not comprise part of the Net Assets Statement. Significant estimates are used in formulating this information, all of which are disclosed in Note 12. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Aon, the Fund's consulting Actuaries are engaged to provide expert advice about the assumptions applied. Actuarial valuations are carried out every 3 year an in addition each year we carry out an update to review our pension liability. The methodology used in the intervening years follows generally agreed guidelines and is in accordance with IAS 19.

Note 2: Actuary’s Report

West Yorkshire Pension Fund
Statement of the Actuary for the year ended 31 March 2025

Introduction

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013 (the ‘LGPS Regulations’).

The LGPS Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the West Yorkshire Pension Fund (the ‘Fund’) is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2022 by Aon, in accordance with Regulation 62 of the LGPS Regulations.

Actuarial Position

1. The valuation as at 31 March 2022 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund’s assets as at 31 March 2022 (of £17,979.5M) covering 108.5% of the liabilities.
2. The valuation also assessed each individual employer’s (or group of employers’) position separately. Contribution requirements were determined based on the principles in the Fund’s Funding Strategy Statement and are set out in Aon's report dated 31 March 2023 (the "actuarial valuation report"). In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Total contributions payable by all employers over the three years to 31 March 2026 are estimated to be:

Year from 1 April	% of pensionable pay	Plus total contribution amount (£M)
2023	16.40%	2.546
2024	16.30%	1.833
2025	16.20%	1.747

3. The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement. Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution changes and recovery periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' (or Group’s) circumstances.
4. The valuation was carried out using the projected unit actuarial method for most employers, allowing for future increases in pensionable pay. The main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows:

Discount rate for periods in service	
Secure scheduled and subsumption body funding target *	4.50%pa
Intermediate funding targets	
• Low risk	4.25%pa
• Medium risk	4.05%pa
• Higher risk	3.95%pa
Ongoing orphan funding target	3.95%pa
Orphan exit funding target	N/A

Discount rate for periods after leaving service	
Secure scheduled and subsumption body funding target *	4.50% p.a.
Intermediate funding targets	
• Low risk	4.25% p.a.
• Medium risk	4.05% p.a.
• Higher risk	3.95% p.a.
Ongoing orphan funding target	1.60% p.a.
Orphan exit funding target	1.60% p.a.
Rate of pay increases	3.55% p.a.
Rate of increase to pension accounts	2.30% p.a.
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.30% p.a.

** The secure scheduled and subsumption body discount rate was also used for employers whose liabilities will be subsumed after exit by a secure scheduled body.*

In addition, a 10% uplift was applied to the past service liabilities to make allowance for short-term inflation above the long-term assumption.

The assets were valued at market value.

5. The key demographic assumption was the allowance made for longevity. The post-retirement mortality assumption adopted for the actuarial valuation was in line with standard self-administered pension scheme (SAPS) S3 Heavy mortality tables with appropriate scaling factors applied based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis using Aon's Demographic Horizons™ longevity model, and included an allowance for future improvements based on the 2021 Continuous Mortality Investigation Projections Model, with a long term annual rate of improvement in mortality rates of 1.5% p.a. The resulting average future life expectancies at age 65 (for normal health retirements) were:

	Men	Women
Current pensioners aged 65 at the valuation date	21.5	24.5
Current active members aged 45 at the valuation date	22.8	25.6

Further details of the assumptions adopted for the valuation, including the other demographic assumptions, are set out in the actuarial valuation report.

6. The valuation results summarised in paragraphs 1 above are based on the financial position and market levels at the valuation date, 31 March 2022. As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.
7. The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2023 to 31 March 2026 were signed on 31 March 2023. Other than as agreed or otherwise permitted or required by the Regulations and in line with the Fund's policy, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2025 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.
8. This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2022. The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

   This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.
   Aon does not accept any responsibility or liability to any party other than our client, City of Bradford Metropolitan District Council, the Administering Authority of the Fund, in respect of this Statement.

9. The report on the actuarial valuation as at 31 March 2022 is available on the Fund's website at the following address:

https://www.wypf.org.uk/media/khvf1mox/west-yorkshire-pension-fund-2022-actuarial-valuation-report-v2.pdf

Aon Solutions UK Limited

April 2025

Note 3: Accounting policies

Basis of preparation

The statement of accounts summarises the Fund's financial activities for the 2023/24 financial year and its financial position at year-end as at 31 March 2024. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

Going concern

WYPF statement of accounts have been prepared on a going concern basis, with the assumption that the services of the Fund will continue to operate indefinitely and meet its obligations to provide benefits to its members. Actuarial assumptions are used to calculate WYPF liabilities on the assumption that it will continue to operate and pay out benefits over the long term. WYPF also comply with various regulatory requirements which includes triennial actuarial valuations and audits to ensure the Fund's financial health and its ability to meet future obligations. The officers and Joint Advisory Committee of the West Yorkshire Pension Fund have reviewed the Fund's forecasts and projections, taking into account reasonably possible changes in investments and pension administration performance, and are confident that the Fund has adequate resources to continue in operational existence for the foreseeable future. Therefore, West Yorkshire Pension Fund officers continue to adopt the going concern basis in preparing the annual financial statements

Contributions

Normal contributions from employers are accounted for on an accruals basis at the percentage rate recommended by the Fund actuary in the payroll period to which they relate. Normal contributions from members are accounted for on an accruals basis at a percentage rate outlined in the Local Government Pension Scheme Regulations

Employer deficit funding contributions are accounted for on the due dates on which they are payable.

Where employers have to pay the indirect costs of early retirement, these costs are accounted for in the period in which the liability arises. Any amount due but unpaid will be classed as current asset debtors.

Transfers in and out of the Fund

Individual member transfer values represent amounts received and paid during the period. Bulk (group) transfers are accounted for on an accruals basis, these are calculated in accordance with the Local Government Pension Scheme Regulations 2013. There were individual and bulk transfers in 2023/24 and 2024/25. These are detailed in Note 7.

Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net assets statement as current liabilities.

Management expenses

All management expenses are accounted for on an accruals basis. The Code does not require any breakdown of pension fund management expenses. However, in the interests of greater transparency, the Fund discloses its pension fund management expenses in accordance with CIPFA's preparing the annual report - Guidance for Local Government Pension Scheme (2019).

Administrative expenses

All WYPF staff are charged directly to the Fund. Associated indirect management costs and other overheads are apportioned to administrative expenses using relevant factors and charged as expenses to the Fund.

Oversight and governance costs

All oversight and governance expenses are accounted for on an accruals basis. Associated indirect management costs and other overheads are apportioned to oversight and governance activities using relevant factors and charged as expenses to the Fund.

Investment management expenses

All investment management expenses are accounted for on an accruals basis. Fees charged by external advisors and custodian are agreed in the respective mandates governing their appointment. The custodian fees are based on the market value of the investments under their management and unit price per transaction, therefore increase or reduce as the value of the investments and volume of transactions change. The fees of the external advisors increase by RPI on an annual basis.

The cost of the fund's in-house investment fund management team is charged direct to investment management expense and a proportion of the fund's management costs which represents management time spent by officers on investment management is also charged to investment management expenses.

Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed every three years per LGPS regulations, and it is reviewed annually in the intervening years by the appointed actuary. Annual reviews allow for more frequent updates to the assumptions and data used in the valuation. This can lead to more accurate and timely adjustments to the actuarial present value, reflecting current economic conditions, demographic changes, and investment performance. With more frequent assessments, the actuary can identify and address potential funding shortfalls or surpluses sooner. This proactive approach helps in managing risks more effectively and ensures that the fund remains adequately funded to meet its obligations. Regular updates can provide greater transparency and reassurance to stakeholders, including members, beneficiaries, and regulators.In accordance with the requirements of IAS19 and relevant actuarial standards, and permitted under IAS26, WYPF has opted to disclose the actuarial present value of promised retirement benefits as a note to the net assets statement (Note 12).

Cash and cash equivalents

Cash comprises of cash in bank and on demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in values.

Financial liabilities

The fund recognises financial liabilities at amortised cost. A financial liability is recognised in the net assets statement on the date the fund becomes party to the liability.

Investment income

Interest due on fixed-interest securities, index-linked securities and short-term investments is accounted for on an accruals basis.

Property related income

Property related income is primarily rental income which is recognised on a straight-line basis over the term of the lease. Lease incentives have been recognised as a reduction of the total rental income over the term of the lease.

Dividend income

Dividend income is recognised on the date the shares are quoted ex dividend. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Distribution from pooled funds

Distributions from pooled funds are recognised at the date of issue. Any amount not received by the end of the reporting period is disclosed in the net assets statement as a current financial asset.

Taxation

The fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as an expense as it arises.

Financial assets

All our financial assets consist of ordinary equity shares, bonds, properties, pooled investment vehicles and cash deposits. Ordinary equity shares, bonds, pooled investment vehicles and properties are included in the Net Assets Statement based on fair value through profit and loss (FVTPL). All cash, cash deposits, investments debtors and creditors are held to be collected therefore are valued at amortised cost in the Net Assets Statement. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From the date of recognition, any gains or losses arising from changes in the fair value or amortised cost of assets held are recognised in the Net Assets Statement. The values of investments as shown in the Net Assets Statement have been determined at fair value or amortised cost in accordance with the requirements of the Code and IFRS9 (see Note 18). For the purpose of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG / Investment Association, 2016).

Additional voluntary contributions (AVCs)

West Yorkshire Pension Fund provides an additional voluntary contribution (AVC) scheme for its members, the assets of which are invested separately from those of the pension fund. The Fund has appointed Scottish Widows, Prudential and Utmost as its AVC providers. AVCs are paid to the AVC provider by employers and are specifically for providing additional benefits for individual contributors. Each AVC contributor receives an annual statement from AVC providers showing the amount held in their AVC account and the movements in the year.

AVCs are not included in the accounts in accordance with section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (Note 11).

Currency translation

At the year end all foreign currency balances are translated into sterling at exchange rates ruling at the financial year-end and any gains or losses arising are treated as part of the change in market value of investments. During the year foreign currencies are transacted as follows:

a) Proceeds of sales of foreign assets are translated into sterling at the exchange rate on the day of sale and recorded in our investment book of records in sterling and in local currency.
b) Purchase of foreign investments are translated into sterling using the exchange rate at the time of purchase and recorded in our investment book of record at book cost in sterling and local currency.
c) Balance of foreign currency income accounts are moved daily to the capital account using the mid-market rate on the date of movement.
d) Dividends from foreign investments are translated into sterling using the mid-market rate on the date of receipt.
e) When currency is sold or purchased the actual trade rate is used and commissions are charged to management expenses.

Acquisition costs of investments

Brokerage commissions, fees, stamp duties and foreign exchange fees paid as part of acquisition costs of investments are charged as revenue cost and included in investment management costs.

Netting

A financial asset and a financial liability shall be offset and the net amount presented in the Net Assets Statement when and only when, the Fund:

a) Currently has a legally enforceable right to set off the recognised amounts,
   And
b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Contingent liabilities

A contingent liability arises when an event has taken place that gives the Fund a possible obligation, the existence of which will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Fund. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources would be required, or the amount of the obligation cannot be measured reliably. There are no Contingent liabilities for Accounts Payable and this is not recognised in the Net Assets Statement.

Contractual commitments

Contractual (undrawn) commitments relate to outstanding call payments due on unquoted limited partnership funds held in private equity, property and infrastructure parts of the portfolio. The amounts "called" by these funds are irregular in both size and timing, typically over a period of between four and six years from the date of each original commitment. Contractual commitments are disclosed in Note 24 to the accounts.

Investment transactions

Investment transactions occurring up to 31 March 2024 but not settled until later are accrued in the accounts.

Note 4: Critical judgments and estimations in applying accounting policies

In applying the accounting policies set out in Note 3 above, WYPF has had to make certain critical judgements and estimations about complex transactions or those involving uncertainty about future events.

Assumptions made about the future and other major sources of estimation uncertainty.

Fair value of Investments

In accordance with the Code and IFRS13, the Fund categorises financial investments carried on the Net Assets Statement at fair value using a three-level hierarchy as disclosed in Note 18. Financial investments categorised as Level 1 are valued using quoted market prices in active markets, with frequent trades that provide continuous pricing data. Level 1 assets are highly liquid and there is minimal judgement applied in determining fair value.

Financial investments categorised as Level 2 are valued using quoted prices on a recognised stock exchange, but are not actively traded daily. Level 2 assets are not traded as actively as Level 1 assets. Fair value requires more judgement as the value can be influenced by market conditions between the date of the last trade and the year end.

The fair value of financial investments categorised as level 3 is determined using the latest investor reports and capital statements provided by the general partners, adjusted for cash flow after the date of the general partners' report. These require management judgement and contain significant estimation uncertainty. Reliance is placed on general partners to perform these valuations and further due diligence is performed by the Fund to maintain confidence in the data provided. For directly held investment properties we use surveyors' valuation report. The total value of level 3 investment is £3,527m at 31 March 2024. This consist of the Fund's unlisted private equity, pooled investments, property funds and direct property.

In line with the market risk within Note 18, there is a risk that the value of the Fund may reduce or increase during the 2024/25 reporting period by £467m which represents the potential market movement on value of investment at level 3, the potential market movement is shown in Note 18 of the accounts

Note 5: Events After the Balance Sheet Date

These are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue.

Two types of events can be identified:

a) Those that provide evidence of conditions that existed at the end of the reporting period, adjusting events after the reporting period. There have been no adjusting events since 31 March 2024.

b) Those that are indicative of conditions that arose after the reporting period, non-adjusting events after the reporting period.

In June 2023 the High Court ruled in the case of Virgin Media Limited v NTL Pension Trustees. The ruling was that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. The High Court ruling has since been appealed. In a judgment delivered on 25 July 2024, the Court of Appeal unanimously upheld the decision of the High Court.

The current position in relation to local government pension schemes (LGPS) is that actuarial confirmations for all amendments have not yet been located. The most recent update was in July 2024 from the Government's Actuary Department (GAD) and included the following information:

Relevant certificates have been located in respect of the 2014 reforms.

- We believe a certificate will have been prepared in respect of the 2008 reforms, but the initial electronic search for this has meant paper files would now need to be retrieved from archive storage in order locate 2008 certificate.
- While it is known there is potential for additional pension liabilities to be recognised, the impact in monetary terms is not known and it is reasonable to form the view that it is not reasonably estimable. While the Court of Appeal has upheld the High Court judgement, there are further actions that could be taken regarding the case. In addition, the certificate in respect of the 2008 reforms might also be located from archive.

Note 6: Contributions receivable by category:

Contributions from employers and employees:

2023/24 £'000	Authority	2024/25 £'000
362,480	Employers	419,608
158,637	Members	168,722
521,117	**Total**	**588,330**

By type of employer

2023/24 £'000 Restated	Authority	2024/25 £'000
50,844	Administering authority *	65,201
430,476	Scheduled bodies	492,737
39,797	Admitted bodies	30,392
521,117	**Total**	**588,330**

* Review of the contributions receivable from the administering authority identified that a number of Council maintained schools and Bradford Childrens Trust had been mis-classified as scheduled or admitted bodies, rather than be included in the administering authority total. The 2023/24 figures have been restated by transferring £9.387m to the administering authority total by reducing the scheduled bodies total by £9.354m and the admitted bodies total by £33,000.

By category

2023/24 £'000	Category	2024/25 £'000
	Employees contributions:	
150,869	Employees normal contributions	157,737
7,768	Employees additional contributions	10,985
158,637		**168,722**
	Employer's contributions:	
352,209	Employers normal contributions	393,233
7,718	Employer augmentation contribution	24,957
2,553	Employers deficit contributions	1,418
362,480		**419,608**
521,117	**Total**	**588,330**

The increase in employer contributions for the year 2024/25 compared to 2023/24 is primarily due to the reversal of prior year-end accruals.

The increase in employer augmentation costs in 2024/25 compared to 2023/24 relates to staff resrtuctuting at a number of local authorities in 24/25

Employers' contribution rates and deficit contributions

Employer contributions receivable in 2023-24 were based on 31 March 2022 triennial valuation. At each triennial valuation (latest 31 March 2022) the Actuary calculates an employer rate for each employer. In addition to this some employers are also required to pay an additional monetary amount to cover any past service deficit, which is recoverable over an appropriate period.

Employees' contribution rates

Employees' contributions are as set out in the LGPS regulations from 1st April 2014, and there are several tiered employee contribution rates. The rates for 2023/24 and 2024/25 based on pay in the financial year are provided below.

2023/24 Pay	2024/25 Pay	Contribution rate
Up to £16,500	Up to £17,600	5.5%
£16,501 to £25,900	£17,601 to £27,600	5.8%
£25,901 to £42,100	£27,601 to £44,900	6.5%
£42,101 to £53,300	£44,901 to £56,800	6.8%
£53,301 to £74,700	£56,801 to £79,700	8.5%
£74,701 to £105,900	£79,701 to £112,900	9.9%
£105,901 to £124,800	£112,901 to £133,100	10.5%
£124,801 to £187,200	£133,101 to £199,700	11.4%
£187,201 or more	£199,701 or more	12.5%

Note 7: Transfers in from Other Pension Funds

By category

2023/24 £'000	Authority	2024/25 £'000
43,843	Individual transfers	47,025
2,851	Bulk transfer in from other schemes	18,125
46,694	**Total**	**65,150**

Note 8: Non-statutory pensions and pensions increase recharged

West Yorkshire Pension Fund pays discretionary award to former employers of a number of employers on an agency basis as shown below. The amounts are fully reclaimed from the employer bodies. The costs of added years granted by participating employers for early retirement together with associated inflation proofing costs are reimbursed to the Fund by the employer. Costs of annual inflation proofing for non-participating employers are also recharged.

2023/24 £'000	Non-statutory pensions and pensions increase recharged	2024/25 £'000
	Payments on behalf of top 30 employers :	
5,664	Bradford Teachers Compensation	5,821
4,240	Leeds City Council	4,292
3,240	Bradford M.D.C	3,258
2,570	Wakefield M.D.C	2,622
1,957	Kirklees M.C	1,950
1,032	Calderdale M.B.C	1,052
751	West Yorkshire P.T.E	724
1,254	OTHER EMPLOYERS	1,029
20,708	**Total**	**20,748**

Note 9: Benefits Payable

2023/24 £'000	Analysis of benefits payable	2024/25 £'000
	Funded pensions	
(508,151)	Retired employees	(559,717)
(39,331)	Dependants	(42,700)
	Funded lump sums	
(124,426)	On retirement	(159,823)
(17,522)	On death	(20,345)
(689,430)	**Total Benefits Payable**	**(782,585)**

The total benefits payable are further analysed by type of member body.

By type of employer

2023/24 £'000	Authority	2024/25 £'000
(100,370)	Administering Authority	(117,815)
(519,085)	Scheduled bodies	(589,855)
(69,975)	Admitted bodies	(74,916)
(689,430)	**Total benefits payable**	**(782,586)**

For participating employers, all basic pensions plus the costs of annual inflation proofing are met from the assets of the fund.

Note 10: Payments to and on Account of Leavers

2023/24 £'000	Payments to and on account of leavers	2024/25 £'000
(2,384)	Refund of contributions	(2,569)
(27,164)	Individual transfers out to other schemes	(45,357)
(29,548)	**Total transfers out**	**(47,926)**

Note 11: AVC scheme with Utmost, Scottish Widows and Prudential

The Fund provides an Additional Voluntary Contributions (AVC) Scheme for its contributors, the assets of which are invested separately from the main Fund. The scheme providers are Utmost, Scottish Widows and Prudential, whereby additional benefits are secured on a money purchase basis for those contributors electing to pay additional voluntary contributions.

As advised by the three companies the amounts administered under AVC arrangements are as follows:

2023/24 £'000	Additional voluntary contributions	2024/25 £'000
45,264	Value of funds at 1st April	46,765
12,926	Contributions received	15,181
110	Transfers and withdrawals	80
4,457	Interest and bonuses / change in market value of assets	2,006
(7,358)	Sale of investments to settle benefits due to members	(10,723)
55,400	**Value of fund at 31st March**	**55,400 ***

The aggregate amounts of AVC investments are:

2023/24 £'000	AVC investments	2024/25 £'000
1,493	Utmost	1,210
45,281	Prudential	52,099
8,626	Scottish Widows	-
55,400	**Total**	**55,400 ***

Additional voluntary contributions are not included in the Fund Account in accordance with regulation 4(2)(c) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.

* Information from the AVC provider Scottish Widows is yet to be received

Note 12: Actuarial present value of promised retirement benefits

The Fund is part of the Local Government Pension Scheme and under IAS 26 it is required to disclose the actuarial present value of promised retirement benefits across the Fund as a whole. The Fund provides defined benefits, which for membership to 31 March 2014, are based on members' final pensionable pay. On the 1 April 2014 the scheme changed from a final salary scheme to a CARE (career average revalued earnings) scheme and pension benefits are based on a member's pay in each scheme year. The required valuation is carried out by the fund actuary Aon Hewitt using assumptions derived in the same way as those recommended for individual participating employers reporting pension liabilities under IAS 19. This approach results in a different valuation of liabilities than at the triennial funding.

Introduction

IAS 26 requires the 'actuarial present value of the promised retirement benefits' to be disclosed, which is the IAS 26 terminology for what IAS 19 refers to as the 'defined benefit obligation'.

The information set out below relates to the actuarial present value of the promised retirement benefits in the Fund which is part of the Local Government Pension Scheme.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31 March 2014 are based on a career average revalued earnings scheme. Details of the benefits covered by these figures are set out in 'The Local Government Pension Scheme Regulations 2013' (as amended) and 'The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014' (as amended).

Actuarial present value of promised retirement benefits

CIPFA's Code of Practice on local authority accounting for 2024/25 sets out that the actuarial present value of promised retirement benefits based on projected salaries should be disclosed.

The results as at 31 March 2025, together with the results as at 31 March 2024 are shown in the table below. The corresponding fair value of the Fund assets is also shown in order to show the level of surplus or deficit within the Fund when the liabilities are valued using IAS 19 assumptions.

31st March 2024 £m		31st March 2025 £m
19,353.6	Value of net assets	19,924.5
17,408.1	Actuarial present value of the defined benefit obligation	15,096.9
1,945.5	**Surplus / (deficit) in the fund as measured for IAS 26 purposes**	**4,827.6**

Assumptions

The latest full triennial actuarial valuation of the Fund's liabilities was carried out as at 31 March 2022. The principal assumptions used for the purpose of IAS 26 by the Fund's independent qualified actuaries were:

31st March 2024		31st March 2025
16.7	Duration of Liabilities (years)	15.4
4.80%	Discount rate	5.80%
2.60%	CPI inflation (1) (2)	2.50%
3.85%	Salary increases (3)	3.75%

(1) Pension increases in excess of Guaranteed Minimum in payment where appropriate.

(2) The assumption for the revaluation rate of pension accounts is set equal to the assumption for pension increases. In addition to the assumption for future pension increases, we have allowed for the impact of known CPI inflation as published at the accounting date (up to 28 February 2025) which will influence the pension increase as at April 2026.

(3) A promotional salary scale is assumed to apply in addition to this, at the rates assumed in the 2022 actuarial valuation of the Fund. We have also not allowed for the effect of pay rises being either above or below the rates assumed at the year-start.

Demographic assumptions

The mortality assumptions are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2022 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are shown below.

31st March 2024		31st March 2025
	Males	
21.0	Future lifetime from age 65 (pensioners aged 65)	20.9
22.3	Future lifetime from age 65 (actives aged 45)	21.8
	Females	
24.2	Future lifetime from age 65 (pensioners aged 65)	24.1
25.2	Future lifetime from age 65 (actives aged 45)	24.8

Different mortality assumptions have been used for other categories of member as set out in the actuary's report on the 2022 valuation. Assumptions for the rates of the rates of withdrawal and ill health retirements (for active members), the allowance made for cash commutation on retirement, and the proportion of members whose death gives rise to a dependant's pension are the same as those adopted in the 2022 valuation of the fund, which are detailed in the actuary's valuation report.

Key risks associated with reporting under IAS 26 and sensitivity

Volatility of results

Results under IAS 26 can change dramatically depending on market conditions. The defined benefit obligation is linked to yields on AA-rated corporate bonds, while a significant proportion of the assets of the Fund are invested in equities and other growth assets. Changing markets in conjunction with discount rate volatility will lead to volatility in the funded status of the pension fund. For example:

- A decrease in corporate bond yields will increase the value placed on the liabilities for accounting purposes, although this will be marginally offset by the increase in the assets as a result (to the extent the Fund invests in corporate bonds).
- The majority of the pension liabilities are linked to either pay or price inflation. Higher inflation expectations will lead to a higher liability value. The assets are not perfectly correlated with inflation meaning that an increase in inflation will increase the deficit. As such, the Fund Administering Authority should ensure that it understands the reasoning behind the assumptions adopted and is comfortable that they are appropriate.
- The majority of the Fund's obligations are to provide benefits for the life of the member following retirement, so increases in life expectancy will result in an increase in the liabilities.

Choice of accounting assumptions

The calculation of the actuarial present value of the promised retirement benefits involves projecting future cash-flows from the Fund many years into the future. This means that the assumptions used can have a material impact on the surplus / deficit. As such, the Fund Administering Authority should ensure that it understands the reasoning behind the assumptions adopted and is comfortable that they are appropriate.

The accounting standard (and industry/auditor interpretation of the accounting standard) results in a narrow range of financial assumptions that could be used to report pension liabilities. In particular, the discount rate must be based on the yields on high quality corporate bonds, and the assumption for future inflation is expected to be based on implied inflation priced into the gilts market. This also impacts the reported nominal pay increase assumption, which is determined in real terms. The financial assumptions will therefore be different to the assumptions used in the triennial valuation when setting contribution rates, resulting in different published results. Further explanation of these differences is set out later in this report.

All other assumptions used for accounting pension liabilities must represent a best estimate of future experience from the Fund. Most other assumptions are therefore set in line with those used for the last triennial valuation, however the mortality improvement assumptions may be updated for accounting purposes to reflect the latest published data.

In practice future experience within the Fund may not be in line with the assumptions adopted. This means that the liabilities shown in this report only represent one view of the future and the true position could be different from those shown. For example, members could live longer than foreseen or inflation could be higher or lower than allowed for in the calculations.

Sensitivity of results to key assumptions

In order to understand the magnitude of the possible volatility in the balance sheet position and to understand which assumptions are most important in determining the size of the liabilities, it is helpful to understand how sensitive the results are to the key assumptions.

IAS 19 requires entities to disclose information about the sensitivity of the defined benefit obligation to changes in key assumptions although it is not clear that IAS 26 or the CIPFA Code of Practice requires this information. Nevertheless, we have set out below how the results would alter by changing the discount rate, the pay increase assumption and pension increase assumption by plus or minus 0.1% and if life expectancy was to reduce or increase by one year. In each case, only the assumption mentioned is altered. All other assumptions remain the same.

Sensitivity analysis

Discount rate assumption

Adjustment to discount rate assumption	+0.10% £m	-0.10% £m
£ change to present value of the defined benefit obligation	(229.9)	233.4
% change in present value of defined benefit obligation	(1.5%)	1.5%

Rate of general increase in salaries

Adjustment to salary increase rate assumption	+0.10% £m	(0.10%) £m
£ change to present value of the defined benefit obligation	28.7	(28.4)
% change in present value of defined benefit obligation	0.2%	(0.2%)

Rate of increase to pensions and rate of revaluation of pension accounts

Adjustment to pension increase rate assumption	+0.10% £m	(0.10%) £m
£ change to present value of the defined benefit obligation	204.7	(201.5)
% change in present value of defined benefit obligation	1.4%	(1.3%)

Post retirement mortality assumption

Adjustment to members' life expectancy	- 1 year £m	1 year £m
£ change to present value of the defined benefit obligation	(368.8)	377.4
% change in present value of defined benefit obligation	(2.4%)	2.5%

Comparison with funding valuation

The results of the IAS 26 valuation will differ from results of the latest triennial actuarial valuation. This section explains the main reasons for these differences between the funding update as at 31st March 2025 and the 2025 IAS 26 result.

Purpose of each exercise

IAS 26 requires the pension fund to disclose the actuarial present value of the promised retirement benefits in the pension fund accounts, using prescribed accounting principles and CIPFA guidance. The purpose is to disclose a liability value to users of the accounts on a comparable basis to similar entities. The purpose of the triennial actuarial valuation is to review the financial position of the Fund and report on the adequacy of the contributions to support the benefits of the Fund. If the valuation identifies that the contributions will fall short of (or be in excess of) those necessary to provide the benefits, contributions will normally be revised up (or down).

Who makes the key decisions?

Under IAS 26 the Administering Authority has the responsibility of deciding on the actuarial assumptions to be used for the assessment, but these must be based upon the guidance set out within the accounting standard and should be set upon advice given by an actuary.

Under the triennial actuarial valuation the LGPS regulations require the Fund's Actuary to produce the valuation report. The Actuary must have regard to the Funding Strategy Statement and the regulatory framework, and will discuss the funding strategy with the Administering Authority before finalising the valuation.

Assumptions used to value the liabilities

The main difference between the accounting exercise and the valuation exercise is the assumptions used to calculate the liabilities (actuarial present value of the promised retirement benefits).

The discount rate (assumption for future investment returns) is set differently in each exercise, and this often causes the greatest difference in the results.

IAS 19 (the guidance on the assumptions to use under IAS 26) requires the discount rate to be based on the current rate of return on high quality corporate bonds of equivalent term to the Fund's liabilities. High quality corporate bonds are interpreted to be bonds with at least a AA credit rating.

In the triennial actuarial valuation the assumption for the discount rate reflects the Actuary's views of the estimated returns available on the Fund's investments over the long term. The Fund holds significant holdings of equity type investments that currently, and in recent history, are expected to achieve a return above AA-rated corporate bond yields. A prudent approach is taken, considering the level of risk as set out in the Funding Strategy Statement. This results in an expected return assumption that the actuary believes has a better than evens chance of being achieved by the Fund's investment strategy (in other words, the assumption is set below the best estimate return assumption, to be prudent).

When the discount rate (investment return assumption) used in the IAS 26 assessment is lower than the discount rate used in the triennial actuarial valuation this results in a higher accounting liability, a higher accounting deficit (or lower surplus), and a higher current service cost (relative to the contributions being paid for future service). The opposite is true when the accounting discount rate is higher than the discount rate used in the triennial valuation.

The assumptions for future inflation are also set differently under IAS 26 reporting from in the triennial valuation. Both assumptions have regard to the implied rate of future inflation priced by the gilts markets, however the gilts market has historically over-priced inflation, and the consensus is that it will continue to do so. This is known as an 'inflation risk premium'. When setting the inflation assumption for IAS 26 purposes auditors expect the CPI assumption to be based on market data and accept only a very modest reduction for an inflation risk premium. In contrast, in the funding valuation we make a best estimate allowance for inflation, which involves a greater reduction to market-implied inflation resulting in a lower future rate of assumed CPI inflation. All else being equal, this results in a lower liability value in the funding valuation than presented in the accounts.

The demographic assumptions (such as mortality rates) used for the accounting figures are usually the same as those adopted for the triennial actuarial valuation of the Fund, however revised assumptions for the rate of longevity improvements may be used for accounting purposes (as is the case in 2025).

Roll-forward method / different calculation dates.

The most recent triennial actuarial valuation of the Fund was carried out as at 31 March 2022. IAS 19 requires the results to be based on a full actuarial valuation at least every 3 years. The 2025 actuarial valuation is currently in progress and the results of which will be published in the Fund Actuary's valuation report by 31 March 2026. The results of the 2025 valuation will be different to the results of the funding update shown in this report for a number of reasons including the use of updated membership data and updated funding strategy in the 2025 valuation results. It is widely accepted that the use of 'roll-forward' techniques can be used in the intermediate years to approximately update the position for reporting purposes without the need for a valuation using full membership data of the Fund. As the roll-forward is approximate the result will be different to the result of a full valuation of the benefits at the same date. This difference will increase the longer the period of the roll-forward. Finally, if the accounting date is at a different date to the actuarial triennial valuation the calculation will be based on different market conditions and will not be comparable.

Reconciliation of IAS 26 liabilities to the funding liabilities

The below tables set out the difference between the IAS 26 valuation and funding valuation measured at two different dates (31 March 2022, the date of the latest funding valuation, and 31 March 2025.

Comparison as at 31 March 2022

	Comment moving from funding to IAS 26	£M
Funding Liability at 31 March 2022		16,573.0
Impact of change due to:		
Discount rate assumption	Lower IAS 19 discount rate discount rate (reduce from 4.5%* to 2.7%)	6,030.0
Inflation assumption **	Higher IAS 19 CPI assumption (increase from 2.3% to 3.0%)	3,160.2
Mortality improvement assumptions	No change	-
Allowance for short term high inflation	Removing the 10% uplift to valuation liabilities and replacing with known experience to date	(1,746.8)
IAS 26 Liability at 31 March 2022		**24,016.4**

Comparison as at 31 March 2025

	Comment moving from funding to IAS 26	£M
Funding Liability at 31 March 2025		17,422.6
Impact of change due to:		
Discount rate assumption	Higher IAS 19 discount rate discount rate (increase from 4.7%* to 5.8%)	(3,047.8)
Inflation assumption **	Higher IAS 19 CPI assumption (increase from 2.1% to 2.5%)	931.5
Mortality improvement assumptions	Updated IAS 26 projection model from CMI 2021 to CMI 2023 and a reduction in the long term rate of mortality improvements from 1.5% p.a.. To 1.25% p.a.	(358.8)
Allowance for short term high inflation	Removing the 10% uplift to valuation liabilities and replacing with known experience to date	149.4
IAS 26 Liability at 31 March 2025		**15,096.9**

Notes (both tables)

* We have quoted the discount rate for secure scheduled bodies. However, our calculations allow for some employers' liabilities being calculated using a funding target with a lower discount rate. The average Fund discount rate is around 0.12% p.a. lower than quoted.

** Impact on change in inflation assumption includes change in general salary increase assumption which is based on a margin above inflation.

Note 13: Management expenses

2023/24 £'000	Management expenses	2024/25 £'000
(5,824)	Administration costs	(6,202)
(7,141)	Investment Management expenses	(8,979)
(1,456)	Oversight and Governance	(1,540)
(14,421)	**Value of fund at 31st March**	**(16,721)**

This analysis of the costs of managing West Yorkshire Pension Fund during the accounting period has been prepared in accordance with CIPFA guidance. The Oversight and Governance expenses above includes a statutory audit fee of £119.6k (2023/24 £47.4k) which is included in Oversight and Governance. There were no fees chargeable to the fund for work undertaken at the request of employer auditors in 2024/25 and 2023/24.

The costs associated with the running of Northern LGPS that relate specifically to WYPF are included within the administration costs above. The total actual costs for the 2024/25 reporting period was £57.4k (2023/24 £13.5k). The estimated provision for 2024/25 was £50k and the brought forward estimated provision from 2023/24 was £15k.

Note 14: Investment Management Expenses

	2023/24			2024/25		
	Transaction costs £'000	Management fees £'000	Total £'000	Transaction costs £'000	Internal/ External Management fees £'000	Total £'000
Bonds	-	464	464	-	899	899
Equities	754	3,436	4,190	1,704	3,820	5,524
Index-linked securities *	-	272	272	-	-	-
Pooled investment vehicles	304	1,308	1,612	(21)	1,479	1,458
Direct property	-	2	2	-	470	470
Cash deposits	-	260	260	-	257	257
	1,058	**5,742**	**6,800**	**1,683**	**6,926**	**8,609**
Custody fees			341			370
Total	**1,058**	**5,742**	**7,141**	**1,683**	**6,926**	**8,979**

Investment expenses are included in within management expenses (Note 13). Investment expenses are of particular interest to LGPS funds' stakeholders and as such a further breakdown of this cost is provided here. Transaction costs are included to comply with CIPFA guidance. All of the assets that WYPF hold are managed by a team of internal investment managers and as such we do not incur any performance fees.

* Index-linked securities have been reclassified to Bonds in 2024/25 in line with the Code of Practice on Local Authority Accounting in the UK 2024/25.

There were no performance fees payable to fund managers in either year.

Note 15: Investment Income

2023/24 £'000		2024/25 £'000
54,817	Bonds	84,545
356,799	Equites	349,244
4,866	Index-linked securities *	-
416,482	**Bonds, Equities, Index-linked securities**	**433,789**
26,311	Pooled funds equities	17,493
18,589	Pooled funds properties	18,745
-	Pooled funds hedge fund	-
20,340	Pooled funds private equities	26,575
38,728	Pooled funds private equity infrastructure	39,817
103,968	**Pooled funds**	**102,630**
420	Direct property	1,075
51,056	Cash certificate of deposits	46,100
-	Cash bank	6,310
571,926	**Total**	**589,904**

* Index-linked securities have been reclassified to Bonds in 2024/25 in line with the Code of Practice on Local Authority Accounting in the UK 2024/25.

Note 15a: Tax on Income

2023/24 £'000	Tax on income	2024/25 £'000
(12,333)	Dividends from equities	(13,596)
4,594	Investment tax reclaim	1,131
(7,739)	**Total investment income**	**(12,465)**

Note 16: Direct Property Holdings

2023/24 £'000	Direct Property Holdings	2024/25 £'000
6,125	**Opening balance**	6,200
	Additions:	
-	Purchases	91,713
-	Construction	-
-	Subsequent expenditure	-
-	Disposals	-
75	Net Increase/ decrease in market value	(3,713)
-	Other changes in fair value	-
6,200	**Closing value**	**94,200**

2023/24 £'000	Income and Expenditure Breakdown	2024/25 £'000
	Gross rental income	
	Direct cost (including maintenance, insurance, and management fees)	
-	**Net rental income**	**-**

Waiting for information

2023/24 £'000	The future minimum lease payments receivable	2024/25 £'000
	Within one year	
	Between one and five years	
	Later than five years	
-	**Total future lease payments due under existing contracts**	**-**

Waiting for information

Note 17: Investments

Note 17a: Movement in the value of investments

2024/25	Value as 1 Apr £'000	Purchases £'000	Sales £'000	Reclassification * £'000	Realised gains/losses £'000	Unrealised gains/losses £'000	Value at 31 March £'000
Bonds	2,548,328	1,678,347	(1,341,656)	776	(7,001)	(133,825)	2,744,969
Equities (including convertible shares)	11,463,748	1,032,666	(1,006,730)	(150,809)	451,768	(120,086)	11,670,558
Bonds, Equities	**14,012,076**	**2,711,013**	**(2,348,386)**	**(150,033)**	**444,767**	**(253,911)**	**14,415,527**
Pooled funds equities	1,079,231	140,129	(227,910)	(18,881)	155,388	(112,423)	1,015,534
Pooled funds properties	558,324	8,770	(47,985)	-	10,303	(5,361)	524,051
Pooled funds hedge fund	159,306	6,000	(15,908)	-	11,151	9,572	170,121
Pooled funds private equities	1,301,658	266,643	(259,541)	177,600	91,872	(63,846)	1,514,387
Pooled funds private equity infrastructure	1,265,146	117,755	(70,538)	(8,688)	(870)	(7,638)	1,295,168
Pooled investment vehicles	**4,363,665**	**539,297**	**(621,881)**	**150,032**	**267,844**	**(179,696)**	**4,519,260**
Direct property	6,200	92,763	(1,051)	-	-	(3,713)	94,200
Investments	**18,381,941**	**3,343,074**	**(2,971,319)**	**-**	**712,610**	**(437,319)**	**19,028,987**
Cash Debtors Creditors		**Increase**	**Decrease**		**Currency movement Increase/ Decrease**		
Cash deposits	760,571	61,633	-	(314,005)		-	508,199
Cash at bank	107,244	-	(53,227)	314,005	(89,747)	-	278,274
Other investment debtors	86,310	-	(5,724)	-	-	-	80,586
Other investment creditors	(3,048)	(2,681)	-	-	-	-	(5,729)
Total investment cash, debtor and creditors	**951,077**	**58,952**	**(58,951)**	**-**	**(89,748)**	**-**	**861,330**
Total investments	**19,333,018**	**3,402,026**	**(3,030,270)**	**-**	**622,862**	**(437,319)**	**19,890,317**

Other investment debtors and Other investment creditors have been included in order to balance back to the total net assets.

* Investment assets were reclassified during 2024/25 as a result of better information becoming available about the nature of the assets

2023/24	**Value as 1 Apr £'000**	**Purchases £'000**	**Sales £'000**	**Realised gains/losses £'000**	**Unrealised gains/losses £'000**	**Value at 31 March £'000**
Bonds	1,441,185	854,135	(736,922)	(221,863)	212,276	1,549,630
Equities (including convertible shares)	10,814,133	512,847	(613,639)	226,210	525,015	11,463,748
Index-linked securities	674,588	530,021	(194,973)		(10,938)	998,698
Bonds, Equites, Index-Linked Securities	**12,929,906**	**1,897,003**	**(1,545,534)**	**4,347**	**726,353**	**14,012,076**
Pooled funds equities	983,903	24,645	(48,177)	85	118,775	1,079,231
Pooled funds properties	593,475	21,688	(35,666)	15,674	(36,847)	558,324
Pooled funds hedge fund	144,142	10,099	(195,975)	123,496	77,544	159,306
Pooled funds private equities	1,318,376	149,423	(143,585)	73,255	(95,811)	1,301,658
Pooled funds private equity infrastructure	1,226,660	187,625	(101,937)	17,858	(65,060)	1,265,146
Pooled investment vehicles	**4,266,556**	**393,480**	**(525,340)**	**230,368**	**(1,399)**	**4,363,665**
Direct property	6,125	-	-	-	75	6,200
Investments	**17,202,587**	**2,290,483**	**(2,070,874)**	**234,715**	**725,029**	**18,381,941**
Cash Debtors Creditors		**Increase**	**Decrease**	**Currency movement Increase/ Decrease**		
Cash deposits	614,400	125,450	-	20,721	-	760,571
Cash at bank	37,117	70,127	-	-	-	107,244
Other investment debtors	80,283	6,027	-	-	-	86,310
Other investment creditors	(18,496)	-	15,448	-	-	(3,048)
Total investment cash, debtor and creditors	**713,304**	**201,604**	**15,448**	**20,721**	**-**	**951,077**
Total investments	**17,915,891**	**2,492,087**	**(2,055,426)**	**255,436**	**725,029**	**19,333,018**

Other investment debtors and Other investment creditors have been included in order to balance back to the total net assets.

WYPF does not have a single financial asset holding that is more that 5% of market value of the total asset holding as at 31/03/2025 and 31/03/2024.

Realised gains and losses are profits and losses realised on sales of investments during the year. Unrealised gains and losses are changes in market value of investments during the year includes all increases and decreases in market value of investments held at any time during the year. A further analysis of the asset split between overseas, and UK can be found in Note 23.

Note 17b: Stock Lending

2023/24 £'000	**Analysis of stock lending**	**2024/25 £'000**
	Income	
312	Bonds	-
201	UK Equities	-
1,247	International equities	2,107
(312)	**Expenditure**	(388)
1,448	**Total**	**1,719**

Note 18: Fair value - basis of valuation

The classification of assets within the fair value hierarchy is determined using the criteria set out in IFRS13 Fair Value Measurement. The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date. Transfers between levels are deemed to have occurred when there is a significant change to the level of observable and unobservable inputs used to determine fair value.

Description of asset	Basis of Valuation	Observable and unobservable inputs	Key Sensitivities affecting valuation provided
Level 1			
Quoted equities	Quoted equities that are listed and actively traded on a recognised stock exchange. These are valued at the quoted bid price at the valuation date.	Observable inputs - bid prices on stock exchanges.	Not Required
Quoted bonds	Quoted bonds that are listed and actively traded on a recognised stock exchange are valued at the quoted bid price at the relevant date.	Observable inputs - bid prices on stock exchanges.	Not Required
Quoted indexed linked bonds	Quoted indexed linked bonds that are listed and actively traded on a recognised stock exchange are valued at the quoted bid price at the relevant date. The bid price is further adjusted for inflation by multiplying the bid price with change in the relevant inflation from issued date to the valuation date.	Observable inputs - bid prices on stock exchanges and retail price index.	Not Required
Level 2			
Pooled investment- overseas unit trusts and quoted property funds	Quoted equities that are listed on a recognised stock exchange, but are not actively traded daily. These are valued using bid prices at the valuation date published by investment managers at the pooled funds. These prices are typically NAV-based prices and they are set on a forward pricing basis. We do not know in advance the exact price we will pay or receive, as this will be based on the NAV at a future time. Prices are reviewed periodically ranging from 7 days, monthly or quarterly.	Observable inputs - bid prices on stock exchanges.	Not Required
Level 3			
All unquoted, delisted or suspended assets, pooled investments - hedge funds, unit trusts and property funds	**Unquoted** equities these are valued based on either of these methods: a) Valued based on the latest investor capital statement or the latest net asset value (NAV) supplied by general partners, adjusted for cash flow after the date of the capital statement or NAV. b) Valued based on the latest unit redemption price (bid price) supplied by general partners. **Delisted** equities are valued at nil. **Suspended** equities are valued at the latest bid price at the date of valuation.	Unobservable inputs - a) Private net asset statements supplied by general partners. b) Bid (redemption) prices supplied general partners. Zero valuation based on prudence. Observable inputs -latest quoted prices, classified as Level 3, based on prudence.	Valuations could be affected by material events occurring between the date of the financial statements provided and the pension funds own reporting date by changes to expected cashflows and by any differences between audited and unaudited accounts.
Freehold and leasehold properties	**Freehold properties** are valued at fair value at the year-end by CBRE independent valuers- in accordance with the RICS Valuation – Global Standards 2022 which incorporate the International Standards and the RICS Valuation – Professional Standards UK 2022 (revised November 2021) ("The Red Book").	Observable inputs - valuation certificates provided by RICS valuers.	Changes in rental growth, vacancy levels or discount rates could affect valuations.

Note 18a: Sensitivity of assets valued at level 3

The sensitivity of the assets valued at level 3 to potential changes in unobservable inputs is set out in the table below. The table reports the potential impact on the value of the assets if there were to be changes to the inputs at various percentages.

Asset type	Potential variation in fair value depending on valuation basis adopted	Values at 31 March 2025 £'000	Potential value on increase £'000	Potential value on decrease £'000
Pooled investments - hedge funds	+ or - 4.84%	169,903	178,126	161,680
Property funds	+or - 4.02%	524,051	545,118	502,984
Direct property	+or - 4.02%	94,200	97,987	90,413
Private equity	+or - 4.84%	2,809,554	2,945,536	2,673,572
Other assets	+or - 4.74%	80,688	84,513	76,863
Total		**3,678,396**	**3,851,280**	**3,505,512**

Asset type	Potential variation in fair value depending on valuation basis adopted	Values at 31 March 2024	Potential value on increase £'000	Potential value on decrease £'000
Pooled investments - hedge funds	+ or - 13.96%	159,195	181,419	136,971
Property funds	+ or - 13.96%	558,324	636,266	480,382
Direct property	+ or - 13.96%	6,200	7,066	5,335
Private equity	+ or - 13.96%	2,566,804	2,925,130	2,208,478
Other assets	+ or - 3.45%	236,200	244,349	228,051
Total		**3,526,723**	**3,994,229**	**3,059,217**

Financial instruments – valuation

Valuation of financial assets carried at fair value

The valuations of financial assets have been classified into three levels according to the quality and reliability of information used to determine the fair values. Transfers between levels are recognised in the year in which they occur.

Level 1

Level 1 fair value measurements are those derived from unadjusted quoted prices in active markets for identical assets or liabilities. Financial assets classified as level 1 comprise quoted equities, quoted bonds (fixed interest securities), quoted index linked securities and unit trusts.

Level 2

Level 2 valuations are those where quoted market prices are not available, for example where the financial asset is traded in a market that is not considered to be active or valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data. Financial assets classified as level 2 are quoted property funds.

Level 3

Level 3 portfolios are those where at least one input which could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments and hedge funds or unquoted property funds, which are valued using various valuation techniques that require significant judgement in determining appropriate assumptions.

The table below provides an analysis of the financial assets and liabilities of the Fund that are carried at fair value in the Fund's Net Assets Statement, grouped into levels 1 to 3 based on the degree to which the fair value is observable.

Note 18b: Valuation hierarchy

	Values at 31-March-2024				Values at 31-March-2025			
	Quoted market Price	Using observable inputs	With significant unobservable inputs	Total	Quoted market Price	Using observable inputs	With significant unobservable inputs	Total
	Level 1 £'000	Level 2 £'000	Level 3 £'000	£'000	Level 1 £'000	Level 2 £'000	Level 3 £'000	£'000
Financial assets								
Financial assets at fair value through profit & loss	14,329,982	525,236	3,520,523	18,375,741	14,983,176	367,415	3,584,196	18,934,787
Financial assets at amortised cost	1,022,146	-	-	1,022,146	939,190	-	-	939,190
Non financial assets at fair value through profit and loss								
Direct property	-	-	6,200	6,200	-	-	94,200	94,200
Financial liabilities at amortised cost	(50,456)	-	-	(50,456)	(43,596)	-	-	(43,596)
Total	**15,301,672**	**525,236**	**3,526,723**	**19,353,631**	**15,878,770**	**367,415**	**3,678,396**	**19,924,581**

Reconciliation of fair value measurements within level 3

2024/25	Value as 1 Apr £'000	Purchases £'000	Sales £'000	Reclassification * £'000	Realised gains/(losses) £'000	Unrealised gains/(losses) £'000	Value at 31 March £'000
Pooled investments - Hedge funds	159,195	6,000	(15,908)	-	41,676	(21,060)	169,903
Property funds	558,324	8,770	(47,985)	-	54,460	(49,518)	524,051
Direct property	6,200	91,713	-	-	(95,425)	91,712	94,200
Private equity	2,566,804	384,398	(330,078)	168,913	57,941	(38,424)	2,809,554
Other assets	236,200	29,526	(6,600)	(168,913)	(31,730)	22,205	80,688
Total	**3,526,723**	**520,407**	**(400,571)**	**-**	**26,922**	**4,915**	**3,678,396**

* Investment assets were reclassified during 2024/25 as a result of better information becoming available about the nature of the assets

2023/24	Value as 1 Apr £'000	Purchases £'000	Sales £'000	Realised gains/(losses) £'000	Unrealised gains/(losses) £'000	Value at 31 March £'000
Pooled investments - Hedge funds	144,000	10,000	(10,000)	-	15,195	159,195
Property funds	593,475	75,856	58,841	40,730	(210,578)	558,324
Direct property	6,125	-	-	-	75	6,200
Private equity	2,545,036	512,474	(107,194)	68,091	(451,602)	2,566,805
Other assets	114,202	171,705	(69,961)	(467)	20,721	236,200
Total	**3,402,837**	**770,035**	**(128,314)**	**108,354**	**(626,189)**	**3,526,723**

Note 19: Financial instruments – classification

The following table analyses the carrying value of the financial assets and liabilities by category and by net asset statement heading as at 31 March 2025. The table also includes Direct Property (non-financial instrument) for completeness.

	Values at 31-March-2024				Values at 31-March-2025			
	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost	Total	Fair value through profit and loss	Assets at amortised cost	Liabilities at amortised cost	Total
	As stated £'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Financial Assets								
Bonds	1,549,630	-	-	1,549,630	2,744,969	-	-	2,744,969
Equities	11,463,748	-	-	11,463,748	11,670,558	-	-	11,670,558
Index-linked securities *	998,698			998,698				
Bonds, Equities, Index-linked securities	**14,012,076**	**-**	**-**	**14,012,076**	**14,415,527**	**-**	**-**	**14,415,527**
Pooled funds equities	1,079,231	-	-	1,079,231	1,015,534	-	-	1,015,534
Pooled funds properties	558,324	-	-	558,324	524,051	-	-	524,051
Pooled funds hedge fund	159,306	-	-	159,306	170,121	-	-	170,121
Pooled funds private equities	1,301,658	-	-	1,301,658	1,514,387	-	-	1,514,387
Pooled funds private equity infrastructure	1,265,146	-	-	1,265,146	1,295,168	-	-	1,295,168
Pooled investment vehicles	**4,363,665**	**-**	**-**	**4,363,665**	**4,519,261**	**-**	**-**	**4,519,261**
Cash deposits	-	760,571	-	760,571	-	508,199	-	508,199
Cash at bank	-	107,244	-	107,244	-	278,274	-	278,274
Other investment balances	-	86,310	-	86,310	-	80,586	-	80,586
Debtors	-	68,023	-	68,023	-	72,132	-	72,132
Total financial assets	**18,375,741**	**1,022,148**	**-**	**19,397,889**	**18,934,788**	**939,191**	**-**	**19,873,979**
Financial Liabilities								
Other investment balances	-	-	(3,048)	(3,048)	-	-	(5,729)	(5,729)
Creditors	-	-	(47,409)	(47,409)	-	-	(37,868)	(37,868)
Total financial liabilities	**-**	**-**	**(50,457)**	**(50,457)**	**-**	**-**	**(43,597)**	**(43,597)**
Total	**18,375,741**	**1,022,148**	**(50,457)**	**19,347,432**	**18,934,788**	**939,191**	**(43,597)**	**19,830,382**
Non-Financial instrument assets								
Direct Property	6,200	-	-	6,200	94,199	-	-	94,199
Total	**18,381,941**	**1,022,148**	**(50,457)**	**19,353,632**	**19,028,987**	**939,191**	**(43,597)**	**19,924,581**

Note 20: Current assets – debtors

2023/24 £'000		2024/25 £'000
	Debtors	
40,663	Contributions due from employees and employers	40,665
27,359	Other debtors	31,466
68,022	**Total**	**72,131**

All debtors are trade debtors with payments due within 12 months.

Note 21: Current liabilities – creditors

2023/24 £'000		2024/25 £'000
	Creditors	
(15,100)	Unpaid benefits	(17,901)
(32,309)	Other current liabilities	(19,966)
(47,409)	**Total current liabilities**	**(37,867)**

Note 22: Related party transactions

In accordance with IAS24 Related Party Disclosures, material transactions with related parties not disclosed elsewhere are detailed below.

Administering body

Bradford Metropolitan District Council is a related party in its role as the Administering Authority for West Yorkshire Pension Fund.

In 2024/25, City of Bradford Metropolitan District Council charged West Yorkshire Pension Fund £606k in respect of support services provided (£604k in 2023/24). The support costs include a full year support for financial systems, payroll, HR, legal, internal audit and information technology services.

Employers

Employers are related parties in so far as they pay contributions to the fund in accordance with the appropriate Local Government Pension Scheme (LGPS) Regulations. A list of employers who have contributed to the fund during the reporting period can be found in Section 5 of this report. Contributions owed by employers in respect of March 2022 payroll are included within the total debtors figures in Note 20.

Members

The Metropolitan Councils of Bradford, Leeds, Kirklees, Wakefield and Calderdale appoint a number of members to the Investment Advisory Panel, the Joint Advisory Group and the Local Pension Board. Six of these members are in receipt of pension benefits from the Fund.

There have been no material transactions between any member or their families and the pension fund. This was also the case for 2023/24.

Key management personnel

No senior officers responsible for the administration of the Fund have entered into any contract for the supply of goods or services to the Fund, other than their contract of employment with City of Bradford Metropolitan District Council. This was also the case for 2023/24.

IAS 24 requires entities to disclose key management personnel compensation. The Fund has identified key management personnel as the Managing Director of the West Yorkshire Pension Fund, the Chief Investment Officer of the West Yorkshire Pension Fund and the Chief Executive of Bradford Council. The combined compensation for these officers, attributable to West Yorkshire Pension Fund, is £378k (2023/24 £426k). Details of the remuneration for these two posts are included in Note 28 of the City of Bradford Metropolitan District Council's statement of accounts.

Note 23: Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that its assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall pension fund risk management programme.

The management of risk is set out in the fund's Investment Strategy Statement, which in turn is driven by the Funding Strategy Statement. The full text of these statements can be found at the end of this document and also at:
https://www.wypf.org.uk/wypf/wypf-documents-and-boards/

The investment strategy is managed by the Investment Advisory Panel, whose responsibility it is to ensure that the Fund's investment portfolio, which is managed in-house, agrees with policy and strategy with regard to asset allocation.

The Fund routinely monitors all risks in accordance with the Fund's risk management strategy.

Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix.

The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return.

In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

The Fund's asset holdings are spread across more than 800 UK companies, and almost 1,000 foreign companies, and a range of unit trusts and managed funds.

Risk is controlled by reviewing on a continuous basis the risk attached to the Fund's asset allocation relative to the fund- specific benchmark, to ensure that any major divergence from the benchmark is acceptable.

Custodian risk is controlled through continuous monitoring and periodic review of the custodial arrangements.

Risk is also monitored in relation to the funding position of the Fund and the investment requirements that flow from it, in conjunction with the Fund's actuary.

Counter-party and cash management risk are controlled by the in-house investment management team through the setting of appropriate limits for exposure with any individual organisation.

The market risk is captured by changes in the market value of assets and this risk is measured by price risk, interest rate risk, currency risk, credit risk and liquidity risk. Sensitivity analysis of each type of market risk follows with the method of assumption.

a. Price risk

Price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market.

The Fund is exposed to share price risk. This arises from investments held by the fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's investment managers mitigate this price risk through diversification. The selection of securities and other financial instruments is monitored by the fund to ensure it is within limits specified in the Fund's investment strategy.

Price risk – sensitivity analysis

Potential price changes are determined based on the observed historical volatility of asset class returns. Riskier assets such as equities will display greater potential volatility than bonds for example, so the overall outcome will depend largely on asset allocation. The fund has determined that the following movements in market price risk are reasonably possible for the 2024/25 reporting period.

Asset Type	Value as at 31 March 2025	Percentage change	Value on increase	Value on decrease
	£000	%	£000	£000
Bonds	2,744,969	(1.90)	2,692,815	2,797,123
Equities	11,670,558	4.84	12,235,413	11,105,703
Pooled funds equities	1,015,534	4.84	1,064,686	966,382
Pooled funds properties	524,051	4.02	545,118	502,984
Pooled funds hedge fund	170,121	4.84	178,355	161,887
Pooled funds private equities	1,514,387	4.84	1,587,683	1,441,091
Pooled funds private equity infrastructure	1,295,168	4.84	1,357,854	1,232,482
Direct property	94,200	4.02	97,987	90,413
Cash certificate of deposits	508,199	4.74	532,288	484,110
Cash bank	278,274	4.74	291,464	265,084
Other investment assets	80,586	4.74	84,406	76,766
Other investment liabilities	(5,729)	4.74	(6,001)	(5,457)
Total Investment Assets	**19,890,318**		**20,662,068**	**19,118,568**

Asset Type	Value as at 31 March 2024	Percentage change	Value on increase	Value on decrease
	£000	%	£000	£000
UK bonds	1,028,460	8.61	1,117,010	939,910
Overseas bonds	521,170	8.61	566,043	476,297
UK index-linked	897,500	8.61	974,775	820,225
Overseas index-linked	101,198	8.61	109,911	92,485
UK equities	4,709,758	13.96	5,367,240	4,052,276
Overseas equities	6,753,991	13.96	7,696,848	5,811,134
Pooled funds UK equities	463,483	13.96	528,185	398,781
Pooled funds overseas Equities	615,748	13.96	701,706	529,790
Pooled funds UK properties	489,448	13.96	557,775	421,121
Pooled funds overseas properties	46,269	13.96	52,728	39,810
Pooled funds UK hedge fund	159,306	13.96	181,545	137,067
Pooled funds UK private equities	967,198	13.96	1,102,219	832,177
Pooled funds overseas private equities	357,067	13.96	406,914	307,220
Pooled funds UK private equity infrastructure	1,060,652	13.96	1,208,719	912,585
Pooled funds overseas private equity infrastructure	204,493	13.96	233,040	175,946
Direct property	6,200	13.96	7,066	5,334
Cash certificate of deposits	760,571	3.45	786,811	734,331
Cash bank	107,244	3.45	110,944	103,544
Other investment assets	86,310	3.45	89,288	83,332
Other investment liabilities	(3,048)	3.45	(3,153)	(2,943)
Total Investment Assets	**19,333,018**		**21,795,614**	**16,870,422**

b. Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's interest rate risk is routinely monitored by the Fund and its investment advisors in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks.

The Fund's direct exposure to interest rate movements as at 31 March 2024 and 31 March 2025 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Interest rate risk – sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. The assumed interest rate volatility is 261 basis point (BPS) for 2024/25 (311 BPS in 2023/24).

The analysis that follows assumes increase in interest rates from 311 basis points to 261basis points which indicates volatility in interest rates over a 12-month period and that the market is experiencing fluctuations due to factors such as economic conditions, inflation expectations and monetary policy changes. The effect in the year on the net assets available to pay benefits of a +/- 261 BPS change in interest rates.

Asset Type	Value as at 31 March 2024	Value on increase +311BPS	Value on decrease +311BPS	Value as at 31 March 2025	Value on increase +261BPS	Value on decrease +261BPS
	£000	£000	£000	£000	£000	£000
Bonds (excluding Index-linked bonds)	1,549,630	1,597,823	1,501,437	1,514,652	1,554,184	1,475,120
Cash deposits	760,571	784,225	736,917	508,199	521,463	494,935
Cash at bank	107,244	110,579	103,909	278,274	285,537	271,011
Total	**2,417,445**	**2,492,627**	**2,342,263**	**2,301,125**	**2,361,184**	**2,241,066**

c. Currency rate risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (GBP). The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP.

The following table summarises the Fund's currency exposure as at 31 March 2024 and 31 March 2025.

Currency rate risk - sensitivity analysis

Following analysis of historical data, the Fund considers the likely volatility associated with foreign exchange rate movements to be 3.0%, (2023/24 3.0%). A 3.0% strengthening/weakening of the pound against the various currencies in which the Fund holds investments would decrease/increase the net assets available to pay benefits as follows.

Asset Type	Value as at 31st March 2024	Value on increase 3.0%	Value on decrease 3.0%	Value as at 31 March 2025	Value on increase 3.0%	Value on decrease 3.0%
	£000	£000	£000	£000	£000	£000
Overseas bonds	521,170	536,805	505,535	534,361	550,392	518,330
Overseas index-linked	101,198	104,234	98,162	76,805	79,109	74,501
Overseas equities	6,753,991	6,956,611	6,551,371	7,144,571	7,358,908	6,930,234
Pooled funds overseas Equities	615,748	634,220	597,276	551,128	567,662	534,594
Pooled funds overseas properties	46,269	47,657	44,881	79,205	81,581	76,829
Pooled funds overseas private equities	357,067	367,779	346,355	302,166	311,231	293,101
Pooled funds overseas private equity infrastructure	204,493	210,628	198,358	224,803	231,547	218,059
Total overseas assets	**8,599,936**	**8,857,934**	**8,341,938**	**8,913,039**	**9,180,430**	**8,645,648**

d. Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

The credit risk connected with stock lending is managed by holding collateral with a greater value than the amount of stock lent out at any one time. In addition, the Fund is fully indemnified by our financial securities custodian on stock lending activities. Stock lending and the associated collateral at the year-end are detailed in Note 17c.

e. Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund therefore takes steps to ensure there are adequate cash resources available to meet its commitments. This will particularly be the case for cash, from the cashflow matching mandates from the main investment strategy to meet pensioner payroll costs, and also cash to meet investment commitments.

Note 24: Contractual commitments

The table below shows the undrawn commitments of the West Yorkshire Pension Fund at 31 March 2024 and 31 March 2025.

	Investment value at 31 March 2024 £000	Undrawn commitments £000	Investment value at 31 March 2025 £000	Undrawn commitments £000
Asset class				
Private equity	2,566,804	1,352,631	2,809,555	876,347
Property funds	558,324	25,041	524,051	19,394
Total	**3,125,128**	**1,377,672**	**3,333,606**	**895,741**

Undrawn commitments relate to outstanding call payments due on unquoted limited partnership funds held in private equity, property and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over a period of between four and six years from the date of each original commitment.

Note 25: Accounting Standards Issued, not yet adopted

The Code requires the disclosure of information relating to the impact of an accounting change that will be required by a new accounting standard, but one which has not yet been implemented.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom and will be adopted in 24/25:

IFRS 16 Leasing

- From 1st April 2024, accounting standard IFRS 16 Leases will be replacing the previous lease accounting standards and introduces an accounting model based on 'right of use' assets on the Balance Sheet for all leases where the Pension Fund is the lessee (except where short-term or low value) with a corresponding liability, measuring the value of the right of use over the remaining term.
- The main impact of IFRS 16 Leases for the Pension Fund is expected to be where the Fund is the lessee and currently holds operating leases under IAS 17 which are treated as revenue. The Fund does not hold any such lease arrangements.

In addition, IFRS16 impacts on the measurement of PFI contracts. The Fund does not hold any PFI contracts.

- **IFRS 16 Lease Liability in a Sale and Leaseback (Amendments to IFRS 16**) issued in September 2022 clarifies the measurement of the lease liability in a sale and leaseback scenario. This clarification is not anticipated to materially impact on the Pension Fund's financial statements.
- **Classification of Liabilities as Current or Non-current (Amendments to IAS 1)** issued in October 2022. Further classification of liabilities as current or non-current and improve the information provided where the Pension Fund has a non-current liability with a covenant. This clarification is not anticipated to materially impact on the Pension Fund's financial statements.
- **Non-current liabilities with covenants (Amendments to IAS 1)** issued in October 2022 - this applies where an entity has the right to defer settlement for at least 12 months subject to compliance with covenants. This clarification is not anticipated to materially impact on the Pension Fund's financial statements.
- **International Tax Reform: Pillar Two Model Rules (Amendments to IAS 12)** issued in May 2023, which applies to multinational groups. This does not affect the Pension Fund as it does not fall within scope.

Note 26: Investment Strategy Statement

West Yorkshire Pension Fund has prepared an Investment Strategy Statement (ISS) published under Regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016. The fund has also prepared a Funding Strategy Statement (FSS) in accordance with Regulation 58 of the Local Government Pension Scheme Regulations 2013.

Full details of the ISS and the FSS are included in this report and are available on the Fund's website. https://www.wypf.org.uk/wypf/wypf-documents-and-boards/

SECTION 6 INVESTMENTS AND FUNDING

Investment management and strategy

Investment strategy and asset allocation are agreed at quarterly meetings of the Investment Advisory Panel. There are twenty-two professional investment managers, and thirteen investment administration and settlement staff in the in-house investment team.

Within the Northern LGPS Pool arrangements (NLGPS) the fund's investment portfolio continues to be managed in-house on a day-to-day basis, supported by the fund's external advisers. NLGPS is set up to for the three fund partners to work collaboratively and provide the most effective solutions investment management. All NLGPS partners use a common custody provider and are delivering at scale infrastructure investment via GLIL and private equity investment using the Northern Private Equity (NPEP) vehicle. The tables on page 38 and 39 provides the following key information for WYPF:

- Asset market values for NPEP + GLIL
- Asset market values held in NLGPS common custody
- Cash holding
- Investment performance
- Asset allocations and control range

The Northern LGPS – Annual Report 2024/2025 is provided on page 58 to 63.

The panel has adopted a fund-specific benchmark which is reviewed and revised annually. Details of the benchmark currently being used are shown in the Investment Strategy Statement. The benchmark represents the optimal investment portfolio distribution between asset classes to bring WYPF to 100% funding in accordance with the principles outlined in the Investment Strategy Statement. The panel makes tactical adjustments around the benchmark for each asset class within a set control range.

The global inflationary pressures and political instability continued causing concerns across all sectors, however WYPF had a very limited exposure of assets to Russia of 0.1% and we continue to keep a watchful eye on events. These events have had a negative impact on all markets.

Investment performance

In 2024/25 our investments made a positive return of 3.9%, against a benchmark return of 5.2%. This performance is 1.4% below our benchmark. Our medium to long-term performance is as follows three years 4.32% (34th percentile), five years 9.3% (17th percentile), ten years 7.0% (26th percentile) and thirty years 7.8% (10th percentile), exceeding our benchmark at all of these time periods.

The fund is focused on long term investment performance and strategy. The fund has a very different asset strategy to that of the average LGPS fund. The key difference is our relatively high commitment to equities and the commensurate underweighting of other assets. During recent years this would have had a positive impact on the fund's performance relative to its peers because equities returns were considerably ahead of bonds.

Voting policy

Wherever practical the fund votes on resolutions put to the annual and extraordinary general meetings of all companies in which it has a shareholding. The basis of the voting policy is set out in the Investment Strategy Statement. Full details of the voting policy are also available on the fund website, as are details of the fund's voting activities at companies' annual general and extraordinary general meetings. The fund has appointed Pensions & Investment Research Consultants Ltd (PIRC) to manage voting rights, ensuring full engagement on governance and voting on all resolutions.

Custody of financial assets and stock lending

The Northern LGPS Pool appointed custodian is Northern Trust. Northern Trust provides custodial services to the fund and is responsible for safe keeping, settlement of transactions, income collection, overseas tax reclaims, stock lending, general custodial services and other administrative actions in relation to all the fund's listed fixed-interest and equity shareholdings, with the exception of private equity, private credit and property. All the three funds in the Northern LGPS Pool - Greater Manchester Pension Fund, Merseyside Pension Fund and West Yorkshire Pension Fund, are now serviced by Northern Trust.

Value for money

The latest government LGPS data released in late 2024 for 2023/24 financial year shows the fund's total investment management cost per member of £22.12 (£22.97 in 2022/23). WYPF total cost per member of £44.67 is the lowest for all local government pension schemes and compares exceptionally well with the average LGPS cost for 2023/24 of £315.07 (£308.96 in 2022/23).

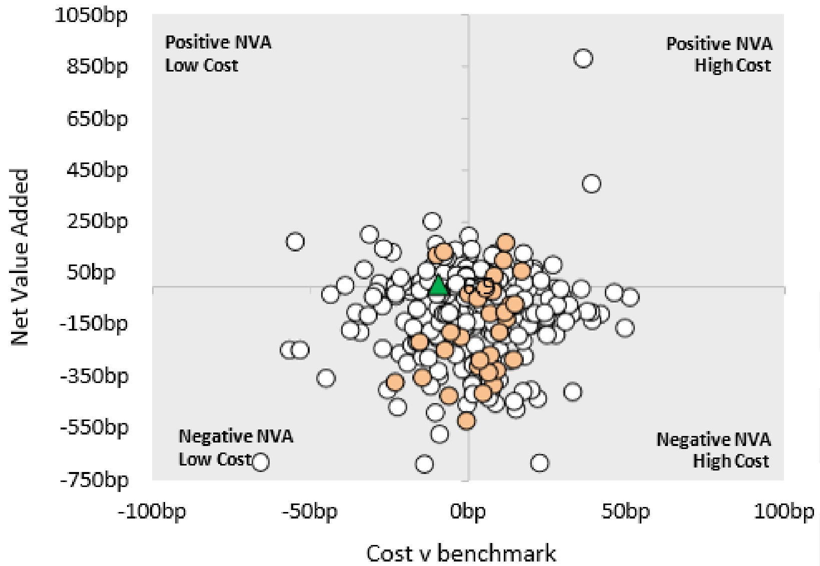
Independent assessment of WYPF investment value for money

WYPF takes part in the annual Global CEM investment management benchmarking, comparing funds costs globally. The latest exercise for 2023/24 financial year compared WYPF £19.4 billion assets with peer funds globally with assets under management ranging from £6.2 billion to £27.1 billion). The summary result for WYPF is:

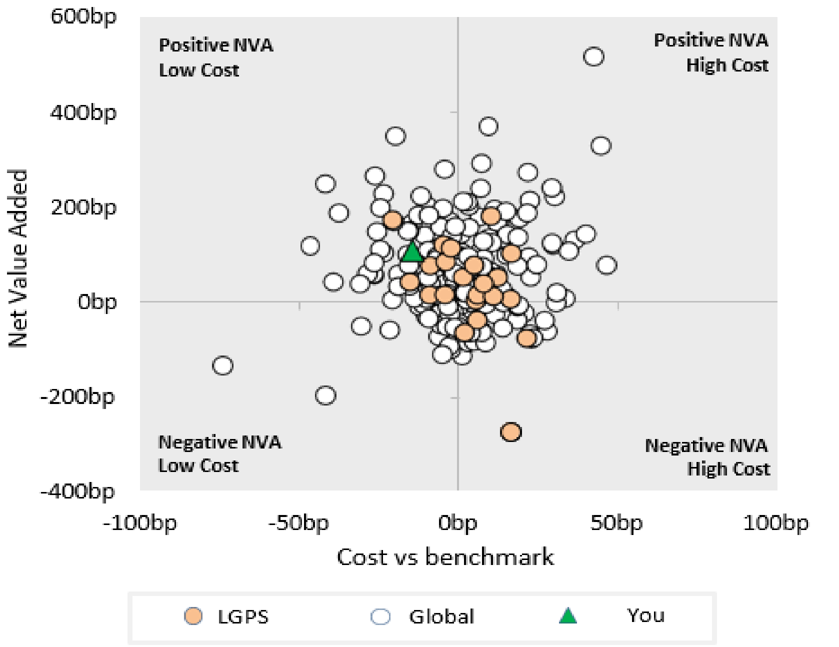
1. **Cost** – like for like cost for 2023/24 including direct cost and indirect cost for private assets is 41.1bps a redu+I23ction in cost compared to 2022/23 43.7bps, this is below 50.6bps for peer organisation globally. WYPF has a lower implementation cost, and on aggregate we paid less than peers for similar assets.
2. **Performance** – for 2023/24 5year net return of 6.6% is close to the median for peer organisations.
3. **Value added** – 2023/24 5year value added was 1.1%, adding £952m to the fund, peer organisations average was 0.4%.
4. **Cost effectiveness** – 2023/24 5year performance showed positive value added, showing on the low-cost quadrant of the VFM chart.

WYPF 5-year performance is placed in the positive value-added low-cost quadrant of the VfM chart:

a) 2023/24 Low-cost value added – Net value added of 6.9bps, cost savings of 9.4 bps



b) Low cost net value added is 107.2bps, cost savings 14.3 bps



Total	**2020**	**2021**	**2022**	**2023**	**2024**	**5-year**
Net value added (bps)	(50.0)	210.0	230.0	170.0	6.9	107.2
Your relative cost (bps)	(13.6)	(26.2)	(11.6)	(10.9)	(9.4)	(14.3)

Investment strategy and performance March 2025

WYPF ASSET CLASS	Managed via NLGPS Pool	NLGPS via Custody	Not Pooled	Total WYPF market value	WYPF Invest Perf	Ending weight	Policy weight	Control range
	£ Million	£ Million	£ Million	£ Million	%	%	%	%
Total equities	**0**	**12,179**	**0**	**12,179**	**4.84**	**61.44**	**59.1**	**51.6-66.6**
UK equities	0	4,479	0	4,479	9.82	22.59	24.10	19.1-29.1
Overseas equities	0	7,700	0	7,700	2.66	38.85	35.00	27.5-42.5
North America	0	3,044	0	3,044	5.35	15.36	12.60	7.6-17.6
Europe (Ex UK)	0	1,990	0	1,990	-0.53	10.04	9.20	4.2-14.2
Japan	0	826	0	826	-2.57	4.17	4.10	1.6-6.6
Asia Pacific (Ex Japan)	0	668	0	668	-5.69	3.37	3.60	1.1-6.1
Emerging markets	0	1,172	0	1,172	11.46	5.91	5.50	3-8
Total bonds	**0**	**2,745**	**0**	**2,745**	**-1.90**	**13.86**	**17.50**	**15-20**
UK govt. bonds	0	814	0	814	-2.15	4.11	4.00	1.5-6.5
UK govt. index linked	0	886	0	886	-9.47	4.47	3.50	1-6
UK corporate bonds	0	434	0	434	6.14	2.19	5.00	4-6
Global govt. bonds	0	81	0	81	2.41	0.41	2.50	1.5-3.5
Global corporate bonds	0	530	0	530	4.14	2.68	2.50	0
Total alternatives	**1,192**	**2,351**	**0**	**3,543**	**7.38**	**17.89**	**16.60**	**14.1-19.1**
UK Hedge funds	0	170	0	170	7.38	0.86	0.70	0.2-1.2
Private equity funds	0	681	0	681	7.38	3.44	5.50	4-7
Private credit	0	398	0	398	4.67	2.01	1.00	0-2
Northern LGPS private equity pool UK	548	0	0	548	5.29	2.77	1.50	0.5-2.5
Private equity infrastructure	0	651	0	651	2.37	3.28	3.10	1.6-4.6
Northern LGPS GLIL infrastructure UK	644	0	0	644	5.29	3.25	2.50	1-4
Listed alternatives	0	451	0	451	9.82	2.28	2.30	0.8-3.8
Property	**0**	**562**	**0**	**562**	**4.02**	**2.84**	**4.80**	**3.3-6.3**
Cash	**0**	**0**	**786**	**786**	**4.74**	**3.97**	**2.00**	**0.5-3.5**
Total WYPF financial assets	**1,192**	**17,837**	**786**	**19,815**	**3.90**	**100.00**	**100.00**	
Non Financial Assets (debtors + creditors)	**0**	**0**	**109**	**109**				
WYPF net assets statement	**1,192**	**17,837**	**895**	**19,924**				

Investment strategy and performance March 2025 UK highlights

WYPF ASSET CLASS	Managed via NLGPS Pool	NLGPS via Custody	Not Pooled	Total WYPF market value	WYPF Invest Perf	Ending weight	Policy weight	Control range
	£ Million	£ Million	£ Million	£ Million	%	%	%	%
Total UK equities	**0**	**4,479**	**0**	**4,479**	**9.82**	**22.59**	**24.1**	**19.1-29.1**
Total UK bonds	**0**	**2,134**	**0**	**2,134**	**-3.50**	**10.77**	**12.50**	**10-15**
UK govt. bonds	0	814	0	814	-2.15	4.11	4.00	1.5-6.5
UK govt. index linked	0	886	0	886	-9.47	4.47	3.50	1-6
UK corporate bonds	0	434	0	434	6.14	2.19	5.00	4-6
Total UK alternatives	**1,186**	**2,104**	**0**	**3,290**	**7.38**	**16.62**	**16.60**	**14.1-19.1**
UK Hedge funds	0	170	0	170	7.38	0.86	0.70	0.2-1.2
UK Private equity funds	0	564	0	564	7.38	2.85	5.50	4-7
UK Private credit	0	358	0	358	4.67	1.81	1.00	0-2
UK Northern LGPS private equity pool	548	0	0	548	5.29	2.77	1.50	0.5-2.5
UK Private equity infrastructure	0	561	0	561	2.37	2.83	3.10	1.6-4.6
UK Northern LGPS GLIL infrastructure	638	0	0	638	5.29	3.22	2.50	1-4
UK Listed alternatives	0	451	0	451	9.82	2.28	2.30	0.8-3.8
UK Property	**0**	**562**	**0**	**562**	**4.02**	**2.84**	**4.80**	**3.3-6.3**
Cash	**0**	**0**	**786**	**786**	**4.74**	**3.97**	**2.00**	**0.5-3.5**
Total WYPF UK financial assets	**1,186**	**9,279**	**786**	**11,251**	**3.37**	**56.79**	**60.00**	
Total WYPF overseas financial assets	**6**	**8,558**	**0**	**8,564**	**0.53**	**43.21**	**40.00**	
Total WYPF financial assets	**1,192**	**17,837**	**786**	**19,815**	**3.90**	**100**	**100.00**	
Non Financial Assets (debtors + creditors)	**0**	**0**	**109**	**109**				
Total WYPF net assets statement	**1,192**	**17,837**	**895**	**19,924**				

Northern Local Government Pension Scheme

In 2015 the Ministry of Housing, Communities and Local Government (MHCLG) issued guidance on LGPS asset pooling (LGPS: Investment Reform Criteria and Guidance), which sets out how the government expected funds to establish asset pooling arrangements. There are ongoing consultations by the Government the future pension investment with stakeholders. At the time of writing, that consultation has not been responded to by the Government.

The Northern Local Government Pension Scheme Pool (NLGPS) was set up with Grater Manchester Pension Fund (GMPF) and Merseyside Pension Fund (MPF) as a partnership. The NLGPS Pool is focused on effectiveness, long term investment performance and cost management. LGPS funds across England and Wales have come together to form eight asset pools. The NLGPS is one of the largest pools with assets undermanagement of approximately £60 billion.

Northern LGPS Annual Report 2023/2024

NorthernLGPS
The Collective Asset Pool for Greater Manchester
Merseyside and West Yorkshire Pension Funds

Northern LGPS Pool

Report of the Chair

As Chairman of the Northern LGPS Pool Joint Committee I am once again delighted to update all stakeholders on the progress made by the Northern LGPS Pool over the year, highlight some key achievements and look ahead to 2025 and beyond.

Whilst 2023/24 was a very turbulent year geopolitically, investment markets generally performed strongly with several large equity markets, in particular the USA, driven by its ‘Magnificent Seven’ mega-cap stocks, hitting all-time highs.

Whist there are clearly exceptions to the rule, private markets typically performed less strongly, with the rises in interest rates seen over the previous couple of years gradually feeding through to valuations. There are early signs that we may well see this effect reverse over the forthcoming year as central banks have started current interest rates, and have signalled they will cut further on the expectation that the recent high inflation has been sufficiently tamed.

The Pool achieved a return of 7.5% over the year to 31 March 2024, with Pool assets standing at £61.375 billion at the year end. 3-year returns are an impressive 19.7% with the Pool outperforming its benchmark by 0.9% over this period (equivalent to over £500 million).

The strong performance, both on an absolute basis and against performance benchmarks, is testament to the hard work and diligence of my fellow Northern LGPS Pool Joint Committee members, officers, and the boards and committees of the partner funds who set and scrutinise the strategic asset allocations.

At the time of writing there have recently been some significant announcement made which seem likely to impact the LGPS and many other UK pension schemes. Over the last couple of years there has been increasing focus by Government on consolidation across all types of pensions schemes, with Government’s general perception that a smaller number of larger schemes would deliver better value for money for members and scheme sponsors. In addition, Government has been concerned that UK pensions funds’ investment strategies have not been providing a sufficient level of support for UK economic growth.

The new Labour Government has continued this theme and launched a 'Pensions Review', which will be led by the Treasury, with support from the Pensions Minister and the Ministry for Housing, Communities and Local Government. Phase 1 of the review is focussing on Defined Contributions Master Trusts and the LGPS, with a 'Call for Evidence' recently being undertaken.

The Northern LGPS Pool has an excellent story to tell in many of the areas which the review will cover. In particular, the support of the Pool and the individual partner funds for investing in the UK, including a desire to invest in a way that is financially and socially beneficial for our local areas, which appears to also be a key objective of Government.

As of 31 March 2024 the Pool had over £26 billion invested in the UK (around 43% of Pool assets), which is likely to be comfortably the highest amount of any of the LGPS pools.

Approximately £2 billion of Pool assets are invested in the GLIL direct infrastructure vehicle, which continues to be nominated for and win many awards. The most recent success being the award for the Transport category at the recent IPE Real Assets Infrastructure and Natural Capital Global Awards. Just as pleasing is the continued prominence of GLIL as an example of successful collaboration and cost saving as part of the ongoing public focus on consolidation and investing productively in the UK.

We still await a response from Government to the 2022 consultation on the implementation in the LGPS of the recommendations of the Taskforce on Climate-Related Financial Disclosures ('TCFD'). Whilst ultimate responsibility for providing these disclosures will almost certainly rest with administering authorities, we can see the clear benefits of a co-ordinated pool approach and each fund has been obtaining carbon-footprinting data on a consistent basis to help the funds and the Pool reach their Paris-aligned 2050 net-zero targets.

Of course, environmental social and governance (ESG) matters cover much more than carbon-emissions. ESG is vitally important to the Northern LGPS for many reasons, in particular, achieving sustainable long-term financial returns which underpin the ability to pay pensions. A focus on ESG issues reduces risks to the Pool and its beneficiaries. Our approach to responsible investment has been informed by a number of important initiatives and the Pool collaborates with many other investors and with other LGPS funds via the Local Authority Pension Fund Forum (LAPFF). The Northern LGPS fully supports the aims and objectives of the Stewardship Code and member funds are signatories of the Code. Pool members are also signatories of the Principles for Responsible Investment and as such the Pool aspires to harmonise the six responsible investment principles with how it implements its investment beliefs.

I would like to thank my colleagues on the Joint Committee and also the pensions committees, local pension boards and officers from each of the partner funds for their support and hard work over the year. I am confident we will carry on thriving by adhering to our cost-effective approach to LGPS investment pooling which delivers sustainable financial returns to the benefit of members, employers and taxpayers. The importance of this is brought into sharp perspective by the continued financial challenges that so many local authorities are facing.

Councillor Gerald Cooney
Chair, Joint Committee, Northern LGPS Pool
December 2023

Background

The Northern LGPS Pool is a partnership between the Greater Manchester (GMPF), Merseyside (MPF) and West Yorkshire (WYPF) LGPS funds (the 'partner funds'). The combined assets of the funds stood at approximately £61.4 billion as of 31 March 2024, which is invested on behalf of over 870,000 members and 1,250 contributing employers.

The Northern LGPS Pool's purpose is to facilitate via a simple and democratic governance structure, the pooling of assets and the sharing of services in order to achieve sustainable improved net investment returns for the partner funds.

History

The Northern LGPS Pool was formed in response to the Government's LGPS pooling agenda, which was first announced in 2015. The Government sought to increase the scale of LGPS investment mandates in order to reduce investment management costs and facilitate infrastructure investment to help drive growth in the UK economy.

Due to the existing scale of the three partner funds, the vast majority of the benefits of pooling for the funds are in respect of private market assets where there is greatest scope to generate further economies of scale and to combine resources to make increasingly direct investments.

Therefore, the initial focus of the Pool was on establishing vehicles which could make collective investments in private market assets, in particular infrastructure and private equity.

The partner funds are the major investors in the GLIL direct infrastructure vehicle and also established a collective private equity vehicle, known as 'NPEP', in 2018.

The Pool selected Northern Trust as its FCA regulated custodian to ensure all listed assets of the pool (i.e. internally and externally managed equities and bonds) are held within a single permanent FCA regulated entity. The custodian acts as 'master record-keeper' for all assets of the partner funds and manages the calls and distributions in NPEP.

The Pool has also made a number of appointments of external managers across various asset classes including direct property and a range of property support services.

Governance

The Northern LGPS Pool is not a standalone legal entity. It is a Local Government Joint Committee structure supported administratively by a Host Authority (currently Tameside MBC), which provides all administrative resources and facilities that may be necessary, such as clerking services for the Joint Committee meetings.

The Pool is governed by an inter-authority agreement signed by the three constituent Administering Authorities. The agreement sets out the terms of reference for the Northern LGPS Joint Committee, which is the decision-making body for the Pool. The Joint Committee has been appointed under S102 of the Local Government Act 1972, with delegated authority from the Full Council of each Administering Authority to exercise specific functions in relation to the pooling of pension fund assets.

The Joint Committee may delegate certain functions to the Officer Working Group which is composed of the Directors of the partner funds. The Officer Working Group has the necessary technical skills to advise the Joint Committee on technical investment matters and is a central resource for advice, assistance, guidance and support for the Joint Committee.

The Administering Authorities retain full control of their individual funds' asset allocations and nominate members to the Joint Committee.

Northern LGPS Pool – 31 March 2024 position at a glance

Fund	Assets £bn
Greater Manchester Pension Fund	31.3
Merseyside Pension Fund	10.8
West Yorkshire Pension Fund	19.3
Total Northern LGPS Assets	**61.4**

Northern LGPS Pool – Total costs and savings

The table below sets out the total costs and savings of the Northern LGPS Pool up to 31 March 2024

	Up to 31/03/2018	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Total to 31 March 2024
	£m	£m	£m	£m	£m	£m	£m	£m
Annual running costs	0	0	0.1	0.16	0.01	0.01	0.01	0.29
Other service provider fees	0	0.13	0.78	1.17	1.21	1.3	1.33	5.92
Transition costs	0	0	0	0	0	0	0	0
Set up costs	0.22	0.18	0.09	0	0	0	0	0.49
Total costs	0.22	0.31	0.97	1.33	1.22	1.31	1.34	6.7
Investment management fee savings	7.63	12.21	22.24	31.63	41.79	62.9	44.25	222.64
Service provider savings	0	0	0.06	0.15	0.15	0.15	0.15	0.66
Total savings	7.63	12.21	22.31	31.77	41.93	63.05	44.4	223.3
Total savings net of costs	**7.41**	**11.9**	**21.33**	**30.45**	**40.71**	**61.74**	**43.05**	**216.59**

Total costs (including set up, transition and running costs) as at 31 March 2024	**£6.70m**
Total savings, net of costs as at 31 March 2024	**£216.59m**

Over the summer of 2021 the Northern LGPS Pool worked in collaboration with the other seven LGPS pools to develop a standardised approach to the measurement of costs and savings, which will allow Government and other stakeholders to better analyse the impact of LGPS asset pooling and assist in future policy. The figures in the table above have been calculated using the agreed standardised approach.

Responsible Investment

Environmental, social and governance (ESG) matters are crucially important to the Pool for a number of reasons. Appropriate consideration of ESG factors is part of the assessment and monitoring of investments in all asset classes and this helps achieve sustainable, long-term financial returns underpinning the ability for LGPS funds to pay pensions. A detailed focus on ESG issues reduces risks to the Pool and its beneficiaries. These risks might be financial such as the underperformance or failure of an investee company, or reputational resulting from poor corporate behaviour.

In addition, the Pool's beneficiaries live in a society that is affected by the behaviour of investee companies. Therefore, we expect high standards from those businesses. Consistent with the partner funds' fiduciary duty to their beneficiaries we will ensure that the businesses in which we invest are both financially and environmentally sustainable, have high standards of governance and are responsible employers. As far as possible, the Pool will seek to invest in a way that is financially and socially beneficial for the North of England.

The Northern LGPS, both directly and via LAPFF frequently engages with companies the Pool invests in and challenges these companies where a component of their operations seems deficient. The updates on the Pool's activity can be seen in the quarterly Stewardship Reports. https://northernlgps.org/taxonomy/term/15

GLIL Direct Infrastructure Vehicle

In April 2015, GMPF and the London Pensions Fund Authority formed a joint venture to invest directly in infrastructure assets with a focus on the UK. The joint venture was structured as a limited liability partnership and was named GLIL Infrastructure LLP (GLIL). As part of the Local Government Pension Scheme (LGPS) pooling discussions, West Yorkshire, Merseyside and Lancashire County Council pension funds joined GLIL in December 2016.

In March 2018 GLIL was re-structured as an open-ended fund to facilitate potential new members, which include Nest, one of the UK's biggest Defined Contribution Pension Schemes. Additional commitments made by new and existing members means GLIL now has committed capital of £4.1 billion, of which £2.6 billion is from the Northern LGPS funds. The Northern LGPS funds' share of the GLIL Net Asset Value stood at nearly £2.2 billion at the year end.

At 31 March 2024 GLIL had 15 investments. GLIL aims to invest in a diversified portfolio of assets across the core market segments: energy, renewable energy, waste, regulated assets (utilities, transport and distribution), telecom and social infrastructure including PFI.

GLIL has the ability to invest across the capital structure but to date has only invested into equity given its risk/return target and it is not considering any debt investments in the short to medium term. Another factor influencing portfolio construction is the revenue profile of the asset whether it is demand-based or availability based. GLIL has the ability to invest across both revenue models as well as across construction and operational assets. The fund seeks to balance the different risk contributors associated with each revenue model recognising an over-concentration in either can create challenges.

After investing solely in the UK since launch, GLIL completed its first overseas investment in Q1 2022 with the purchase of the Rathcool portfolio of wind farms in the Republic of Ireland. GLIL can invest up to 25% of its portfolio outside the UK.

Full details of the current GLIL portfolio are available on the GLIL website

Northern Private Equity Pool LP

Northern LGPS established the Northern Private Equity Pool in May 2018 an investment joint venture structured as an English Limited Partnership. The partnership operates as a single legal entity through which the three Northern LGPS funds can invest collectively and collaboratively in private equity assets.

The Northern Private Equity Pool draws on the combined expertise and experience of the internal teams at each of the respective Northern LGPS funds and the administration capabilities of Northern LGPS's pool-wide external custodian. The combined scale and resources of the Northern Private Equity Pool enables the partner funds to invest in private equity through lower cost implementation approaches than have been the case historically.

Investment pace since inception has been consistent with targets with over £2 billion committed to 33 investment funds. As at 31 March 2024 the Net Asset Value of NPEP stood at over £1.5 billion.

At the end of 2019 an investment commitment was concluded with HarbourVest Partners that specifically addressed the co-investment aims of Northern LGPS. The target is for co-investment to constitute 20% of the NPEP portfolio providing additional fee savings for the Northern LGPS partner funds.

Other Northern LGPS Investments

Several call-offs have been made from the Pool property framework which was established in 2020/21. The framework will deliver efficiencies in the management of property investments and related services and covers a wide range of services. Pool Collective housing investments are on track to deliver the timely construction of new homes in the North of England with good returns expected. The Pool remains committed to finance over 10,000 new homes.

Objectives for 2024/25

- Work collaboratively with partner funds and Government to further develop the Pool in response to the Pensions Review and any subsequent regulations or guidance.
- Assist the partner funds to enhance the reporting of pooling activity, performance and cost benchmarking in line with LGPS Scheme Advisory Board guidance recently issued in this area.
- Seek to expand the Pool's local investment activity; and use the Pool's experience to collaborate with and support other LGPS pools and funds in this area where possible.
- Continue to collaborate with Government, other LGPS funds and pools and global benchmarking services to help achieve a consistent approach to measuring costs, savings and ESG metrics across LGPS pools.
- Further develop the Pool's responsible investment activities including updating the Pool's responsible investment policy.

NorthernLGPS
The Collective Asset Pool for Greater Manchester
Merseyside and West Yorkshire Pension Funds

Investment Advisory Panel – operational review (to update after July 2025 panel meeting)

Financial year closed with strong equity performance

The first quarter 2024 delivered a strong set of returns for equity investors as robust corporate earnings and economic data, particularly in the US drove returns as investors began to anticipate the difficult to achieve 'soft landing' as the most likely outcome for most economies. This outcome was not something that was obvious or indeed likely if we think back a year, when the global economy was experiencing very high levels of inflation and central banks were rapidly tightening trying to get ahead of the curve.

Japanese Tokyo Price Index (Topix) top the league

Once again, the US equity index delivered strong performance with the S&P 500 up 10.6%. However, it was the Japanese Topix that produced the strongest returns up 18.1% in local currency. Europe ex UK rose 9.7% with Emerging markets were held back by on going concerns about the Chinese economy. Although there was a rally from the January lows in Chinese equity overall EM equity returned just 2.4% for the quarter. Unfortunately, UK equity was once again a relative underperformer although the All-Share index did gain 3.6% despite news that the UK had fallen into a technical recession. The outperformance of 'growth' verses 'value' equity over the quarter was a headwind for the UK which has a value bias.

Inflation is slowly reducing

It was inevitable that the markets were going to react to each new data point on the evolution of inflation and signals from central banks about the timing and magnitude of expected rate cuts. In contrast to equity the Bloomberg Global bond index fell -2.1% over the quarter as data pointed to some "stickiness" to the inflationary outlook. The US Federal reserve indicated that it might take "some time" to hit the 2% inflation target, notwithstanding February's core inflation declining to 3.8%. The latest extremely robust non-farm payroll data did cause some concern from investors but indications that three quarter point cuts are still likely this year in the US did settle nerves (this 3/4pt cut is still significantly down from the expectations as we entered the year however).

Economic growth - mixed picture

Elsewhere as expected both the ECB and the Bank of England left rates unchanged with core inflation continuing to head downwards. Although flat economic growth in Q4 2023 avoided a technical recession in the EU (just) it was confirmed that the UK did contract during the fourth quarter. Manufacturing PMI continues to paint a poor picture with the Eurozone March number falling to 45.7 indicating further contraction (Germany reads 41.6). By contrast the UK did show some improvement, with latest March number rising to 49.9 close to a neutral reading and the best figure for over a year.

Japanese Yen's impact on stock performance

Before moving away from Central Banks and the economic picture it is worth mentioning that a major driver in the stellar performance of the Japanese equity market over the last year has been the weakness of the Yen which recently hit a 34 year low against the $. This despite the Bank of Japan abandoning its negative interest rate policy and raising rates for the first time since 2007. Certainly, the differential in rates to other major currencies remains significant and further falls in the Yen may trigger an intervention from the BOJ. Whatever eventually transpires, I think it can be said the end of the negative rate era and tight yield curve control will usher in a more volatile period for the Japanese currency (and markets). From a WYPF perspective exposure to the Yen remains small.

The magnificent seven

Before moving away from equity valuations, I thought it would be worth returning to the dominant feature of the US market in recent times, I am talking about the 'magnificent seven' of course. These seven technologies focused companies, two of which are individually larger in market capitalisation than the FTSE100 have driven the strong performance of the US equity market over the last year and have together just reported earnings up 30%. Of concern is that the S&P performance has become notably concentrated in these seven stocks. Another way of looking at this concentration issue is to compare it to the height of the "dot com" boom. At the peak (March 2000) the largest seven tech companies in the S&P500 represented about 19% of the market capitalisation and 7.5% of earnings. As of now the 'magnificent seven' are 30% of the market capitalisation and 19% of total earnings. Even taking into account the better earnings characteristics of today's tech giants, the concentration within the index remains a concern in terms of risk. The standout performer was NVIDIA which recently delivered stellar returns with full year revenue up 126% and earnings per share (GAAP) up over 580%.

At the other end of the spectrum is Tesla that missed analyst forecasts with EPS actually falling despite revenue being 19% higher as slowing EV demand, price cuts and Chinese competition continue to take a toll. A number of these magnificent seven have undergone issues in the recent past including Apple and Meta so the risks to setbacks in any or all are not beyond the realms of possibly.

Bonds

The outlook for bonds despite the negative returns for government bonds in the last quarter remains interesting and certainly given starting yields and the expectation for rate cuts this year much more compelling than for many years. Strong investor demand and healthy running yields combined with a good risk/return framework in a world of possible slowing growth and expected rate cuts later in the year is an interesting prospect. Although there may be some exciting opportunities in various niche sectors such as Agency MBS and EM Debt and there does appear to be some value available in Corporate IG particularly in American/Europe and that is something perhaps to think about in the future.

Longer term issues in Government finances.

Though this is not likely to have an immediate impact on WYPF, certainly not in the short term and maybe not even in the medium term. However, over the long-term issue of ever growing government borrowing and debt will eventually have an impact on the fiscal headroom of many Western governments. The cost of servicing these debts have already grown into the third largest cost line in the US budget and in the UK it's a similar picture with debt interest already higher than the state pension cost or education for instance.

For this level of government spending and borrowing to occur in a peacetime economy is really quite remarkable and as a growing number of investors and regulators are commenting is of growing concern. The US Congressional Budget Office (CBO) recently predicated the 2025 US debt interest costs to GDP will exceed those experienced in WW2. The medium term is going to have implications on the price of debt particularly at longer durations. With long rates settling at higher levels than would normally be expected given growth and inflation expectations.

Does any of this matter? Well as mentioned in the introduction probably not for a while, but we saw as recently as last October what can happen when markets get spooked over excess supply. The 1980's term "bond vigilante's" or a buyer's strike were mooted at the time to explain the very significant sell off in Treasuries in September/October. Now as we all know this quickly evaporated, buyers returned and with the prospect of rate cuts Treasury yields fell sharpy.

Productivity changing demographics and impact of AI

This other issue relevant to the outlook for government finances into the future is that of demographics. If Western working age populations were growing fast and economic growth was forecast to be strong, then to an extent the ability to generate the ever-growing amounts of tax to fund government expenditure could be seen as feasible. However, as things are currently understood the complete opposite is true.

Working age populations are expected to start declining in most of the Western world and the situation in Japan and indeed China is very similar (or worse). In fact, when combined with an ageing population expected to require an ever- increasing level of health care spending it's easy to become concerned. The good news of course is that in Europe very large amounts of GDP is spent on defence which is expected to decline as the world gets ever safer, if at all. One ray of light in what appears a potentially serious developing situation is the emergence of AI and whether this will provide the necessary tools to allow a systemic uplift in productively akin to the industrial revolution. If this becomes a reality perhaps the low growth outlook currently anticipated could be challenged.

Elections

Although there are a very large number of elections taking place over the year including here in the UK, the US election that will arguably have the biggest impact both economically and geopolitically than any other. the result of the UK election seems very predictable. However, it seems that WYPF will still face the same economical issues whatever the result and any government will struggle to significantly change the dial on the long term issues facing the UK's economy, tax and health systems. The outcome of the US election however is both far more difficult to call and in terms of geopolitics much more significant than anything that happens in the UK.

War and peace

Going forward, with a number of notable individuals describing Europe as already in a "pre-war era" with Russia any significant policy shift from the US away from NATO or military support would be worrying. Who is US President matters for the world. In addition to Russia and Ukraine, we have conflict in the Middle East, which despite the current serious situation could get significantly worse, particularly if Iran becomes directly (rather than by proxy) involved. I have no idea which aged President would be a better leader, but I am certain that if the situation in the Middle East is still volatile next year it will matter a lot.

Outlook

As a very long-term investors it is probably reasonable to look at longer term themes on occasions, even if they have little immediate impact on the current asset allocation of WYPF.

Turning to the here and now the balance of the year is expected to be one of low economic growth, moderately falling inflation but importantly no sharp downturn in employment levels. With rate cuts expected to be second half loaded the so called "soft landing" at this time in April 2024 still seems the most likely scenario certainly for the US. The US as is often the case will lead the way and economically appears the most robust. The expectation is if there to be greater dispersion in terms of economic performance and central bank policy over the next year when compared to the recent past. Equities offer some further upside assuming the economic soft landing. However, much is already priced in and there is little room for disappointment at these levels.

Non-government bonds on the other hand do seem to offer some good possibilities in terms of risk reward given the available yields and the protection these offer from any disappointment in the timing of rate cuts. Good quality credits also offer some protection from a slowing economy and should benefit from any rate cuts arriving later in the year. My concerns over long rates in the future due to high levels of government debt are not relevant to this.

WYPF progressing steadily

For WYPF the internal changes to both the team and the systems have been really quite impressive given the fact that the leadership team has been in place for little over a year. The changes to the SAA are being implemented via a steady risk and cost aware processes and much has been achieved already. The decision to reweight the regional equity blocks into 30/30/30/10, i.e. not capitalisation weighted, seems particularly prescient given the emerging concerns over the US equity market concentration risks (see above).

Progress is being made on many fronts with additional expertise added in real estate (an asset class I have not had time to cover this time). Pleasingly resource in the internal team is evolving at pace and many fresh faces have arrived. The Panel have a sense of the beginning of an exciting new era for the WYPF and its internal team. An era that should see positive developments not just for the WYPF but for the wider Northern Pool.

Equities

The equity portfolios at the 31 March 2025 were valued at £12.3bn and represent 61.47% of the portfolio.

Global Market and Portfolios Commentary

Global stock markets delivered modest returns over the year with the FTSE ALL WORLD Index achieving a return of 5.2%. This was moderately exceeded by the fund's equity portfolio due to its overweight position in UK equities that significantly outperformed other markets over the year. However, this return of 5.3% was -0.9% below the funds weighted benchmark return of 6.2%, due to disappointing relative returns across the UK, North America and European regions. Relative returns across our Japanese, Asian and emerging markets meanwhile, were very good.

Table 1: WYPF equities – portfolio and benchmark returns

Equities - public market	Benchmark	Strategic weight %	Portfolio weight %	2024/25 Portfolio % return	2024/25 Benchmark % return
Total WYPF equity - public market	FTSE All Share	**60.00**	**61.47**	**5.31**	**6.24**
UK	FTSE All Share	18.00	22.54	9.82	10.46
North America	FTSE World Nrth America	18.00	15.25	5.35	6.26
Europe ex UK	FTSE Dev Eur ex UK	10.00	10.19	-0.53	3.71
Japan	FSTE All World Japan	4.00	4.20	-2.57	-3.35
Asia ex Japan	FTSE Dev Asia ex Japan	4.00	3.37	-5.25	-5.69
Emerging Markets	FSTE All World Emg Mrkt	6.00	5.91	11.46	10.14

Global equity markets started the year strongly, rising 15.4% to December 2024, but declined sharply in the new year, falling -10.9% in a marked correction, ending the year with a net return of 5.2%.

The markets positive momentum was largely driven by optimism that most central bank policy rates would be reduced as inflation fell but throughout the year it proved to be stickier than expected. The falls allowed central banks to reduce their interest rates during the summer and autumn which delivered a positive stimulus to equity markets. By the new year however, US inflation ticked up again and rate policies began to diverge with Europe continuing to cut rates whilst the US Fed kept them on hold.

The US has outperformed other markets for several years and it now trades at a premium valuation to the rest of the world. This has been justified by its superior GDP growth and low unemployment which has led to the idea of US exceptionalism. However, this exceptionalism has begun to fade because the pace of growth has slackened, and other regions have begun to pick up. As with policy rates, equity markets diverged in the new year with the US falling sharply in February following the release of a cut price AI model from China called DeepSeek. This has challenged the dominant position of large US technology firms and potentially undermined their future earnings. As the largest US technology companies, widely referred to as the Magnificent 7, represent one third of US companies by market capital, and one fifth of all companies globally, their decline has had a significant impact on market values.

Politics also fed into the divergence in market sentiment. The election of Donald Trump in November 2024 led to a sharp rise in the US market as his policies of cutting taxes and red tape were seen as positive news for banks and smaller companies. However, following his inauguration in January, the market turned negative as his unpredictable style of government and potentially inflationary policies induced a degree of caution to US expectations. Germany, meanwhile, elected a new administration that is uncharacteristically keen to increase fiscal spending which helped to improve market sentiment in Europe.

As a final sting in the tail, the above factors contributed to a decline in the US Dollar against other currencies which further exacerbated the weaker returns seen from the USA compared to other markets. Fortunately, our portfolio is underweight in US assets and this weighting has given a positive lift to our returns for the year.

Fixed Income and Credit

The four fixed income and credit portfolios represented c.15% of the Total Fund at the end of the fiscal year. During the year, the allocation to fixed income was increased by 2.14% of Total Fund (increased in 20223/24 by 1.5%), reflecting the moderate increase in the Total Fund's benchmark allocation following the actuarial valuation, and to partially close the historical underweight to the asset class.

Table 2: WYPF fixed income and credit – portfolio and benchmark returns

Fixed income	Benchmark	Strategic weight %	Portfolio weight %	2024/25 Portfolio % return	2024/25 Benchmark % return
Total Fixed income		**18.00**	**15.38**	**-1.90**	**-1.91**
UK sovereign linkers	FTSE all stocks index linked	5.00	4.45	-9.47	-7.96
UK sovereign (conventionals)	FTSE A UK Gov all stocks	5.00	4.16	-2.15	-1.19
Global sovereign ex-UK	JPM Global Gov ex UK	3.00	3.05	2.41	-0.21
UK IG credit	iBoxx non-gilt	5.50	2.27	6.14	2.36

Private markets

Table 3: WYPF private markets – portfolio and benchmark returns

Equities - private market	Benchmark	Strategic weight %	Portfolio weight %	2024/25 Portfolio % return	2024/25 Benchmark % return
Total WYPF equity - private market		**10.00**	**12.58**	**2.55**	**10.14**
Private equity	Absolute return +7.5%	5.00	6.09	2.74	11.81
Private infrastructure	Absolute return +7.5%	5.00	6.49	2.37	8.57

Private equity

During the year, the private equity portfolio allocation declined from 6.9% to 6.1% of Total Fund. This resulted mainly from a £151m net distribution from the portfolio along with a modest denominator effect, given the Total Fund's return exceeded that of the private equity portfolio (3.9% vs 2.7%). The Fund's declining private equity allocation is in line with plan, having peaked at 7.8% at the end of September 2022.

Global Market and Portfolio Commentary

The portfolio returned 2.7% during the year versus its new benchmark of 11.8%. This new benchmark is FTSE All World (unhedged, 3-month lag) and became effective from 1 July 2024. Prior to this, the portfolio's benchmark was 7.5% p.a. Valuations for private markets are primarily driven by market comparables (public and private) and growth (revenue or earnings). The former has been challenged by a lack of private market activity and sluggish US stock market performance (after excluding mega cap constituents such as Apple, Microsoft, Nvidia, Amazon, and Meta). Although new platform deals have been sluggish, private equity managers have been busy executing their 'bolt-on acquisition' strategies. This should translate into improved performance (EV/EBITDA multiple arbitrage and earnings growth) in the years ahead. Performance has lagged public markets over the last two years as large technology companies, such as the aforementioned, have powered market indices. Over the longer term (10 years), the portfolio has outperformed its public market benchmark by 4.1% on a money-weighted rate of return basis.

The number of global deals transacted remained subdued and similar to the prior financial year, albeit APAC and European activity waned in Q1 2025. Exit activity for the market was lacklustre with exit numbers declining quarter-on-quarter from mid-2024.

For WYPF's portfolio, capital calls were 15% lower than the prior year, and £50m lower than forecast. This partly reflects the team's decision to temper its commitment guide given the current overweight position to its 5% policy weight. Notwithstanding this, WYPF's portfolio, with a heavy bias towards the mid- and lower mid-market, should be less exposed than market to a downturn in deal activity that stems from a higher interest rate environment. Smaller deals are typically less reliant on debt financing. Similarly, managers of smaller companies can often achieve satisfactory valuations at exit because multiple expansion typically depends more on operational improvements than on broader macro-economic factors such as interest rates. On a like-for-like basis, WYPF's portfolio experienced an increase in distributions of 20%, compared to the prior financial year. This helped reduce the private equity weighting towards its strategic allocation.

Since 2018, WYPF has deployed most of its private equity commitments via the Northern Private Equity Pool (NPEP), see Northern Private Equity Pool LP Holdings | Northern LGPS. As at March 2025, NPEP accounted for 46% of WYPF's private equity allocation and 72% of unfunded commitments after excluding funds that are in run-off, or that have liquidated, i.e. with little probability of being drawn down. Total undrawn commitments, including WYPF's share of underlying NPEP commitments, amounted to £524m, £12m higher than a year ago.

At the time of writing, given US-driven tariff uncertainty, deal activity is expected to remain subdued in the short-term. This, coupled with declining public equity markets, may lead to a denominator effect where investor allocations to the asset class increase resulting in a challenging fundraising market.

Infrastructure

The infrastructure allocation is split between WYPF's globally oriented infrastructure funds portfolio (3.3%) and its direct allocation to UK core infrastructure via GLIL (3.2%), see here. Although the infrastructure portfolio valuation increased marginally (£11m) during the year, its allocation within the Total Fund declined from 6.6% to 6.5%.

Global Market and Portfolio Commentary

The overall infrastructure portfolio is split roughly 64% UK and 36% non-UK. Across sectors, it is broadly 40% energy and waste, 20% transport, 10% regulated assets, and 10% digital communications. The balance is in social (PPP, PFI, etc.) infrastructure, and real assets (including leasing). The overall portfolio, including GLIL, returned 2.4% during the year versus its benchmark of 8.6%. This benchmark return is the average of two benchmarks: UK CPI + 3% (3-month lag) and FTSE Global Core Listed Infrastructure (3-month lag). The listed benchmark is for WYPF's global infrastructure funds programme, whilst the CPI benchmark is used for WYPF's holding in GLIL. These benchmarks became effective as of 1 July 2024. Prior to this, WYPF utilized an absolute benchmark of 7.5% p.a. for all private market infrastructure.

Global funds programme

The globally oriented funds portfolio returned 3.1%, underperforming its listed benchmark, which returned 10.8% in Sterling. The second quarter was particularly strong for listed infrastructure. During this time, inflation eased in the US, leading to expectations for policy rate cuts. This led to listed infrastructure rallying ahead of private markets. Unlisted infrastructure recorded positive but lacklustre performance when compared to listed markets, as valuations reflected the lagging impacts of higher interest rates.

Investor capital continues to flow towards opportunities in energy security, energy transition, and AI developments (i.e. data centres). However, dealmaking volumes fell year-on-year by approximately 10–15% (Preqin). Like the prior financial year, uncertainty on discount rates used to value future cashflows created a disconnect between buyer and seller expectations. Also, varying views on future inflation rates made underwriting operational and development costs a precarious exercise. Nevertheless, deal activity did rebound in Q1 2025, particularly in the US and APAC region. This led to global aggregate deal value being approximately 25% higher year-on-year. Overall, it was a year of fewer but larger transactions.

WYPF capital calls were 12% lower than forecast. However, proceeds were only half of what was forecast. This resulted in a net drawdown of £37.1m versus a forecast net distribution of £19.1m.

The strategy and approach for this asset class is to maintain a global portfolio of infrastructure assets diversifying between social, renewable, economic, and opportunistic asset types. Developed markets with stable regulatory regimes and transparent policy frameworks are favoured. The focus remains on assets with inflation-linked, long-duration income streams, that are less sensitive to economic cycles.

With approximately 516 underlying assets, the funds' portfolio remains overly diversified. The largest 30 underlying assets are each valued between £5m and £15m. The strategic aim is to reduce the number of underlying assets, thereby achieving more efficient levels of diversification, whilst continuing to target predominantly non-UK assets producing real returns in excess of 5%.

Direct infrastructure

WYPF's direct allocation to UK infrastructure through GLIL saw valuations challenged by macro-economic headwinds and increased interest rates in the second half of the year. This allocation also underperformed its benchmark during the year, albeit delivered a healthy cash yield.

GLIL's activity during the year included further investment in UK solar assets. This is part of a wider strategic partnership with Bluefield Solar to develop assets that are expected to be grid-connected over the next 2-3 years.

Notwithstanding macro headwinds, the GLIL portfolio has exceeded its benchmark return since inception. GLIL's defensive portfolio construction has benefitted from investing across a range of sectors, including both demand- and availability-based revenue models.

Private Credit

During the year, the private credit allocation more than doubled in size, increasing from 0.7% to 1.5% of Total Fund. This allocation, which has a further £242m in undrawn commitments, is expected to plateau between 1.5 and 2.0% of Total Fund.

The portfolio is split between a Core portfolio and a Legacy portfolio. The Legacy portfolio began investing in 2012 and mainly comprises opportunistic credit (high-return, above average risk). The Core portfolio began investing in 2022 and is predominantly senior secured direct lending. As a whole, the portfolio returned 1.4% versus its internal target benchmark (US SOFR + 500bps) of 7.7%. This underperformance is explained by several factors: opportunistic funds with little cash yield that reside in the Legacy portfolio, J-curve effect of newer funds in the Core portfolio, Sterling vs USD strength in Q4 (benefitting the benchmark fully but not the entire portfolio), and a significant accounting anomaly with one fund that resulted in that fund's total return being understated. Although the latter was unwound in the Fund's capital accounts before fiscal year end, it will not benefit performance until Q1 of the financial year ending 31 March 2026. The Core portfolio accounts for nearly 70% of WYPF's private credit, whilst USD-denominated funds represent 67% of the total private credit portfolio, i.e. both Legacy and Core combined.

During the year, Private Credit spreads for businesses in the $50-$150m EBITDA range narrowed by approximately 0.5%, to 5.00%-5.75% above SOFR. Financing transactions mainly resulted from existing loan maturities as M&A activity remained subdued. Spreads for large cap loans tightened the most (by approximately 0.9%) as both direct lending and broadly syndicated bank loans competed for business.

Property

Property	Benchmark	Strategic weight %	Portfolio weight %	2024/25 Portfolio % return	2024/25 Benchmark % return
Total Property	AREF-MSCI UK Qtly Property Lag	**5.00**	**2.83**	**4.02**	**6.46**

During the year, the property portfolio allocation increased marginally from 2.7% to 2.8% of the Total Fund. This resulted from a net investment of £28m during the period.

Market and Portfolio commentary

The portfolio returned 4.0% during the year, underperforming its benchmark (AREF-MSCI UK Quarterly) of 6.5%. All non-UK property funds within the portfolio performed negatively and contributed -1.0% to returns. Furthermore, direct property acquisition costs related to the build out of the DTZI direct-property mandate contributed an additional -0.9% to portfolio returns. Nevertheless, the Fund did benefit from having an underweight position in West End and M25 offices, and an overweight position in UK industrials and shopping centres.

In moving to direct investments, the aim is to achieve balance of exposure with respect to geography, sector, tenant, and lease duration but it is accepted that there may be some transitional imbalance during the build-out of the direct portfolio. As a long-term investor, the focus is on low-risk properties with sustainable income yield. The aim of making direct investments is to lessen ongoing fees and enhance control, enabling long-term investment throughout market cycles.

During the year, WYPF acquired four properties directly. Total investment cost was £88m and included a prime urban logistics asset in Croydon, and a prime multi-let trade counter estate in Milton Keynes, a long-income retail asset in Edinburgh, and a multi-tenant prime industrial estate in Central London. To fund these purchases, the Fund also served a number of redemption notices on some of its existing investments in UK comingled property funds.

The objective of the DTZ Investors mandate is to help WYPF grow its direct portfolio in a cost-effective manner. The mandate will target multi-let assets, with strong tenant covenants and a portfolio-level unexpired lease term of 6–10 years.

WYPF alternatives sub-portfolios

The underlying sub-portfolio weights within the Alternatives mandate are as below:

Table 4: WYPF alternatives – portfolio and benchmark returns

Alternatives	Benchmark	Strategic weight %	Portfolio weight %	2024/25 Portfolio % return	2024/25 Benchmark % return
Total Alternative		**5.00**	**3.74**	**7.38**	**0.25**
Equity+	Absolute return +7.0%	0.00	2.27	4.59	0.00
Debt+ (new)	Fund returns	0.00	0.83	10.25	0.00
Absolute Return	Absolute return +7.5%	0.00	0.64	12.15	0.00

The Equity+ portfolio, majority UK listed holdings, saw share prices largely tied to gilts and expectations of central bank rate cuts, which were pared back significantly during the final quarter of the accounting year. Whilst on the whole, underlying companies continue to operate well and demonstrate NAV stability and progression, share prices across the listed infrastructure, real estate, private equity and small-cap space remain somewhat unloved and depressed. The resulting share price discount-to-NAVs generally widened over the period, materially attributing to the negative 12-month share-price-based performance. The de-equitization and derating of the UK and investment trust markets has been rightly well publicised and presents various challenges, risks, but also opportunities.

The Debt+ portfolio has initially been seeded with several in-specied listed debt investments from the rest of the Fund's investments, which have similarly derated with the market. That said, performance has generally been good as higher base rates have translated to higher returns. In addition, strong income and capital distributions have provided recycling opportunities into private debt strategies more aligned with our beliefs, such as UK venture debt where we committed to invest £30m during the year.

The Absolute Return portfolio produced another positive annual GBP total return, despite underperformance from the minority macro strategy together with a slight currency headwind causing the numbers to be lower than previous years' exceptional returns. Our dominant multi-strategy hedge fund and insurance-linked securities strategies within Absolute Return continue to demonstrate strong, low correlated risk-adjusted returns.

WYPF cash

Cash	Benchmark	Strategic weight %	Portfolio weight %	2024/25 Portfolio % return	2024/25 Benchmark % return
Total Cash	SONIA	**2.00**	**3.99**	**4.74**	**5.09**

List of twenty largest holdings at 31 March 2025

Asset Name	Market Value 31/03/2025	Percentage of Total Assets	Market Value 31/03/2024	Percentage of Total Assets
	£m	%	£m	%
GLIL INFRASTRUCTURE FUND	644.5	3.2%	664.4	3.4%
NORTHERN PRIVATE EQUITY POOL 2018-2019	548.5	2.8%	216.1	1.1%
SHELL ORD	356.8	1.8%	379.3	2.0%
ASTRAZENECA ORD	320.9	1.6%	319.5	1.7%
HSBC HOLDINGS ORD	273.5	1.4%	203.6	1.1%
APPLE ORD	193.0	1.0%	152.5	0.8%
UNILEVER ORD	187.1	0.9%	168.3	0.9%
MICROSOFT ORD	175.0	0.9%	200.5	1.0%
AURUM WYPF MANAGED PORTFOLIO	152.5	0.8%	148.8	0.8%
NVIDIA ORD	150.8	0.8%	131.5	0.7%
JUPITER INDIA SELECT D USD ACC	146.5	0.7%	142.2	0.7%
RELX ORD	146.4	0.7%	137.0	0.7%
GBGV 4.250 03/07/36	136.4	0.7%	11.5	0.1%
GBGV 4.750 10/22/43	133.3	0.7%	77.9	0.4%
BP ORD	128.0	0.6%	169.2	0.9%
BRITISH AMERICAN TOBACCO ORD	127.2	0.6%	108.3	0.6%
GBGV 4.250 12/07/46	124.4	0.6%	32.1	0.2%
GBGV 1.875 09/22/49	116.4	0.6%	0.0	0.0%
BARCLAYS ORD	111.3	0.6%	77.7	0.4%
GBGV 4.375 07/31/54	108.3	0.5%	66.1	0.3%
Total	**4,280.7**	**21.5%**	**3,406.4**	**17.6%**
Total of other 1,925 assets	**15,643.7**	**79.2%**	**15,947.2**	**79.2%**
Total assets	**19,924.5**	**100.0%**	**19,353.6**	**100.0%**

SECTION 7 ADMINISTRATION

Fund activities during the year

Annual meetings in 2024/25

WYPF held its nineteenth annual meeting for Fund members on Wednesday 6th November 2024, it was held online and recordings made available on our website. Pension fund members logged onto a video feed of the meeting.

https://www.wypf.org.uk/wypf/fund-events/?utm_medium=email&utm_source=govdelivery

The meeting was chaired by Councillor Andrew Thornton, chair of WYPF's Investment Panel and Joint Advisory Group. There were presentations from WYPF lead officers Euan Miller - Managing Director and Leandros Kalisperas – Chief Investment Officer; and WYPF Communications Manager - Stuart Duncombe .

Our employers' annual meeting was also held virtually on Thursday 7th November 2024. Topics covered were the triennial actuarial valuation, updates on the Fund including its investments and administration, and the general economic and financial market climate.

Employer training during 2024/25

We launched our employer webcasts in 2020 under the heading 'Training Tuesdays'. These replaced our popular half-day workshops and allowed us to continue offering employers training throughout the year. The webcasts were also recorded and available on demand on our employer website. The following topics are covered using webcasts and online training tools:

- Understanding Assumed Pensionable Pay
- Pension Statement Blocks and Quarantines
- Completing your March return
- Exception reports
- Final pay - the deep dive
- Managing absences in the LGPS
- March return - steps to success
- Managing your contacts
- Monthly pension contribution management (Phase 3) access to web portal
- Monthly pension contribution management (Phase 3) user management & MFA
- Monthly pension contribution management (Phase 3) data spreadsheet upload
- Monthly pension contribution management (Phase 3) clearing any errors & warnings
- Monthly pension contribution management (Phase 3) submitting data file
- Monthly pension contribution management (Phase 3) help & support
- Online forms
- Processing Pension Statement
- Term time only or not!
- The ill health process
- Understanding Additional Pension Contributions
- Understanding Assumed Pensionable Pay (APP)
- Understanding Cumulative Pensionable Pay (CPP)
- Understanding Employer costs
- Understanding employer discretion
- Understanding final pay
- Understanding pay protection in the LGPS
- Using the employer portal
- Valuation and the importance of your data

Employer Relations team can create and deliver training on any areas that they employer may need support / guidance with in connection to their LGPS roles and responsibilities. WYPF also offer one to one training to employers and their payroll providers should there be a need, this can be in person or online. One to one training may be arranged when an employer is falling behind with their LGPS responsibilities or if they want to get ahead. One to one training is generally done on an adhoc basis and generally covers the following:

- One to one employer training (covering any area of the LGPS employer responsibilities)
- New employer induction meetings
- System / forms demo
- Data cleansing (outstanding leavers / membership audits)
- Employer / payroll provider liaison meetings

(This is not an exhaustive list, ERT will work with employers to provide information and support on any area of the employer LGPS responsibilities)

In addition to the above to support employers WYPF will deliver an Employer Engagement Forum on an addoc basis, generally annually or every other year depending on what is happening in the wider LGPS landscape. This is an online conference over 2/ 3 hours covering key messages surrounding the LGPS. Member engagement during 2023/24

Member engagement during 2024/25

WYPF provide scheme members with lots of opportunity to develop knowledge of the LGPS. Throughout 2024/25 WYPF have facilitated and delivered a serious of online courses for members including:

Engage with your LGPS pension

- Engage with your LGPS pension – pre April 2014 joiners
- Engage with your LGPS pension – post April 2014 joiners
- Engage with your LGPS pension - Increasing your benefits

Pensions awareness week

- LGPS Fundamentals for pre-2014 joiners
- LGPS Fundamentals for post-2014 joiners
- Understanding your Annual Pension Statement
- Increasing your benefits
- LGPS Fundamentals for deferred members

Ad – hoc member training

In addition to the programme of webinars that are made available to members across all funds; the Employer Relations team also work with individual employers to support with member engagement. ERT will deliver presentations both in person and online for individual employers covering topics such as:

- Pre-retirement
- Induction
- LGPS overview
- Financial well being
- TUPE (effects on you LGPS pension)
- Redundancy (effectson your LGPS pension)
- Flexible retirement
- One to one serious ill health member meetings
- Stall holder at in pension events
- Member surgeries

(this is not an exhaustive list, ERT will work with employers to support mem is not an exhaustive list, ERT will work with employers to support member engagement covering any area of the LGPS)

In partnership with Affinity Connect

As well as the inhouse member engagement courses, WYPF work with financial planning company Affinity Connect, experts in public sector, to offer workshop's covering planning for a positive retirement, financial wellbeing and understanding pension tax. These courses are run online and are available for all members to attend regardless of location. The workshops run by Affinity connect continue to be well attended and consistently report positive feedback. The workshops raise awareness of key issues to consider and the decisions that members need to make as they approach various stages in their life.

Pension increase 2024/25

Each year, WYPF pensioners receive an annual increase in accordance with pension increase legislation. The increase is linked to movements in the Consumer Price Index (CPI) in September each year. Deferred member benefits are also typically increased in line with CPI. For the financial year 2024/25 the CPI of 6.7% was applied on 8th April 2024.

Pension administration and cost 2024/25

As in previous years, the workload of the pension administration section continued to increase and, member numbers continued to rise, particularly with the addition of new shared service administration partners. WYPF's service delivery continues to be underpinned by our accreditation to the International Organisation for Standardisation - ISO 9001:2000.

Our quality management systems ensure that we are committed to providing the best possible service to shared service administration partners and will continue to ensure that we deliver best value to all our stakeholders. The latest published data for all LGPS funds' administration costs shows that WYPF's pensions administration cost per member is £18.04. This is the 4th lowest cost amongst 86 LGPS funds and well below the national average of £29.73.

WYPF achieved accreditation for ISO27001 Information Security Management System Certification (ISMS). This accreditation is particularly important to us, highlights our continued commitment to information security and provides assurance to our shared service administration partners that we have the ability to protect their data and reputation at all times.

Shared service

Our shared service partnership continues to flourish with pension administration provided to 4 LGPS funds, West Yorkshire Pension Fund, Lincolnshire Pension Fund, Hounslow Pension Fund and Barnet Pension Fund and also to 24 Fire and Rescue Service partners which represents over 50% of the national Fire Pension Scheme administered by WYPF .

Data quality

The Fund is required to report on data quality to the Pensions Regulator as part of the annual scheme returns. The Pensions Regulator has set a target of 100% accuracy for common data. The latest available figures for common data accuracy are set out in the table below.

Data Type	%
Forename	100
Surname	100
Membership status	100
Date of birth	100
NI number	99.88
Postcode	99.97
Address	96.68

Work continues to be undertaken to improve address data and this work will continue over the next 12 months and beyond since members continue to change address without informing the fund. Our overall common data score is 96.68% this is the lowest score in the table above.

Communications

Our Contact Centre is opened to visitors, and we continue to provide a full telephone service. Trends first emergent through the pandemic have continued with increases in contact through emails and our secure member portal.

WYPF produced 99.56% of annual pension benefit statements for members by the regulatory deadline of 31 August 2024. The 0.44% not produced related primarily to delays with employers and pension management processes. We continue to produce benefit statements after the deadline through to the following March to ensure all benefit statements that can be produced are produced. This process provides members with useful information on their pension benefits accrued to date and what their potential benefits will be at retirement age, as well as other useful information.

Regular newsletters continue to be issued to our members to keep them informed of important pensions news. These are now delivered entirely online (unless a member has opted out of electronic communications whereby a paper copy is provided).

Online services and MyPension

A new WYPF website was released on September 2024, replacing the existing shared service site www.wypf.org.uk. This has been received very positively from members and shared service partners.

Using 'MyPension' members can view their pension record and annual statements, update personal details and more. Members can also run their own estimate of retirement benefits calculations (LGPS members only).

WYPF is investigating the possibility of replacing the existing My Pension service with a bespoke in-house solution long term.

Awards

LAPF Investment awards

WYPF was shortlisted under the following categories:

- LGPS Fund of the Year
- Scheme Administration Award

LGC Awards

WYPF won the LGC Innovation in Administration Award in December 2024

Participating employers

Analysis of employers summarised by type

There were 447 participating employers during the year, 22 left in the year, leaving 425 active at 31st March 2025 (In 2023/24 there were 448 participating employers during the year, 39 left in the year leaving 409 active employers as at 31st March 2023) whose employees were entitled to be contributors to the Fund.

Employers	2024/25 Active	2024/25 Ceased	2024/25 Total	2023/24 Active	2023/24 Ceased	2023/24 Total
Admitted body	168	14	182	142	29	171
Scheduled body	257	8	265	267	10	277
Total	**425**	**22**	**447**	**409**	**39**	**448**

Analysis of contributions received on time and late

The table below shows the value of pension contributions received both on time and late. West Yorkshire Pension Fund receives contributions from active employers every month averaging £40m per month. Contribution payment from employers is due by the 19th of the month following the payroll month. No statutory late payment interest was charged on any of the late payments.

Contribution payment performance	2024/25 Total £000	2024/25 Received on time £000	2024/25 Received on time %	2024/25 Received late £000	2024/25 Received late %	2023/24 Total £000	2023/24 Received late £000	2023/24 Received late %
Employer contributions	419,570	418,802	99.82	768	0.18	362,480	1,790	0.49
Employee contributions	168,330	168,012	99.81	318	0.19	158,637	773	0.49
Total	**587,900**	**586,814**	**99.81**	**1,086**	**0.37**	**521,117**	**2,563**	**0.49**

Data governance and monthly returns

Since April 2014 all employers who participate in the fund have been required to submit a detailed monthly return to WYPF for staff who are active members in the fund. The information collected each month includes members' data and contribution payments made to the fund. The data is used to update members' records on the pension administration system and as a means of reconciling contribution income received monthly.

The monthly data return process is the cornerstone of our award winning data governance process. The process has improved data governance and operational efficiency, and removed the need for a number of year-end reconciliation projects. Data posting and cash reconciliation from employers to members' records and cash accounts are daily business as usual processes. This is enabling us to manage very strong pension regulatory compliance performance management.

Monthly returns performance data of all employers	2024/25	%	2023/24	%	2022/23	%	2021/22	%
Number of returns expected in the year	12,144	100	11,688	100	11,760	100	11,400	100
Number of returns received by 19 April	10,670	88	10,621	90.871	11,137	95	11,100	97
Number of returns not received by 31 May	1,474	12	1,067	9.129	623	5	300	3
Returns processed within 10 working days	9,334	77	9,397	80.399	10,049	85	9,992	88
Number of records on return	1,893,645	100	1,699,656	100	1,755,872	100	1,680,170	100
Number of new member records set up using monthly return	30,521	0	30,573	0.018	34,807	0	29,375	0
Number of leaver notifications processed using monthly returns	15,732	0	17,169	0.01	19,354	0	15,105	0

Monthly returns performance data of all employers	2024/25	%	2023/24	%	2022/23	%	2021/22	%
Number of returns expected in the year from employers	6,036	100	5,760	100	5,820	100	5,616	100
Number of returns received by 19 April	5,085	84	5,264	91.389	5,552	95	5,316	95
Number of returns not received by 31 May	951	16	496	8.611	268	5	300	5
Returns processed within 10 working days	4,534	75	4,656	80.833	5,033	86	4,696	84
Number of records on return	1,306,192	100	1,264,336	100	1,305,978	100	1,166,874	100
Number of new member records set up using monthly return	20,988	0	21,300	0.017	24,089	0	19,762	0
Number of leaver notifications processed using monthly returns	11,695	0	13,475	0.011	14,215	0	10,868	0

Monthly returns performance data of all employers	2024/25	%	2023/24	%	2022/23	%	2021/22	%
Number of returns expected in the year from other employers	6,108	100	5,928	100	5,940	100	5,784	100
Number of returns received by 19 April	5,585	91	5,357	90.368	5,585	94	5,784	100
Number of returns not received by 31 May	523	9	571	9.632	355	6	0	0
Returns processed within 10 working days	4,800	79	4,715	79.538	4,930	83	5,212	90
Number of records on return	587,453	100	435,320	100	449,894	100	513,296	100
Number of new member records set up using monthly return	9,533	0	9,273	0.021	10,718	0	9,613	0
Number of leaver notifications processed using monthly returns	4,037	0	3,694	0.008	5,139	0	4,237	0

Employers who made contributions to the fund during 2024/25

PARTICIPATING EMPLOYERS				
Bradford M.D.C	Aspens Services Limited (Batley Multi Academy Trust)	Blessed Christopher Wharton Academy Trust	C H & Co Catering Limited (Alverthorpe St Pauls C E School)	Carroll Cleaning Company Ltd (St Johns Wakefield)
Leeds City Council	Aspens Services Limited (Exceed Academies Trust)	Blessed Peter Snow Catholic Academy Trust (Calderdale)	C H & Co Catering Limited (Hendal Primary School)	Carroll Cleaning Company Ltd (Wakefield)
Calderdale M.B.C	Aspens Services Ltd	Blessed Peter Snow Catholic Academy Trust (Kirklees)	Cafcass	Carroll Cleaning Company Ltd (Whetley)
Kirklees M.C	Aspens Services Ltd (Ninelands Primary School)	Boothroyd Primary Academy	Calderdale College	Carroll Cleaning Limited (St Paul's School)
Wakefield M.D.C	Aspens Services Ltd (Northern Star Academies Trust)	Bradford Academy	Calverley C of E Primary School	Carroll Cleaning Ltd (Ingrow Primary School)
Abbey Multi Academy Trust	Aspens Services Ltd (Parkside School)	Bradford Children and Families Trust Ltd	Cardinal Heenan Catholic High School	Carroll Cleaning Ltd (Moorthorpe Primary School)
Accomplish MAT	Aspens Services Ltd (White Rose Academies Trust)	Bradford College	Care Quality Commission	Carrwood Primary School
Accord Multi Academy Trust	Aspire Community Benefit Society Ltd	Bradford Diocesan Academies Trust	Carlton Academy Trust	Castleford Academy Trust
Ackworth Parish Council	Atlas FM Payroll Limited (Bishop Konstant Catholic Academy Trust)	Bradford Diocesan Academies Trust (Mellors)	Carr Manor Community School	Caterlink (Waterton Academy Trust)
Action For Children (Askham Grange)	Baildon Town Council	Bradford District Credit Union	Carroll Cleaning (Rooks Nest Academy)	Caterlink Limited (Kettlethorpe High School)
Addingham Parish Council	Bankside Primary School	Bramley St Peters C of E School	Carroll Cleaning (Wakefield Methodist School)	Caterlink Limited (Outwood Academy City Fields)
Adel St John The Baptist C E (V A) Primary School	Basketball England	Brighouse Academy	Carroll Cleaning Company (Greetland Academy)	Caterlink Limited (Outwood Academy Hemsworth)
Affinity Trust	Batley Multi Academy Trust	Brigshaw Learning Partnership	Carroll Cleaning Company (Lower Fields Primary Academy)	Caterlink Limited (Outwood Grange Academy)
Alder Tree Primary Academy (WRAT)	Beckfoot Trust	Brodetsky Jewish (V A) Primary School	Carroll Cleaning Company Limited (Beckfoot Trust)	Caterlink Limited (Outwood Primary Academy Greenhill)
All Saints C E J & I School	Beeston Hill St Lukes C E Primary School	Bronte Academy Trust	Carroll Cleaning Company Limited (Frizinghall)	Caterlink Limited (Salendine Nook Academy Trust)
All Saints Richmond Hill Church of England Primary School	Beeston Primary Trust	Bulloughs (Temple Learning Academy RKLT)	Carroll Cleaning Company Limited (Horbury St Peters & Clifton School)	Caterlink Limited (South Pennine Academies)
Amey Community Ltd Bradford BSF Phase 2 FM Services	Belle Isle Tenant Management Org	Bulloughs Cleaning Services Limited (Exceed Academies Trust)	Carroll Cleaning Company Limited (Ryhill Junior Infant Nursery School)	Chief Constable For West Yorkshire
Amey Community Ltd FM Services	Betterclean (Kettlethorpe High School)	Bulloughs Cleaning Services Limited (Share MAT)	Carroll Cleaning Company Ltd (Holy Trinity Primary)	Churchill Services (Cottingley Primary Academy)
Amey Infrastructure Services Ltd (Wakefield)	Betterclean Services (Carlton Academy Trust)	Bulloughs Cleaning Services Ltd (Poplar Farm Primary School)	Carroll Cleaning Company Ltd (Peel Park Primary School)	Clapgate Primary School
APCOA Parking (UK) Limited	Biffa Treatment Services Limited	Burley Parish Council	Carroll Cleaning Company Ltd (Ryecroft Primary Academy)	Clayton Parish Council
Aramark Limited	Bingley Grammar School	C and K Careers Ltd	Carroll Cleaning Company Ltd (Saltaire Primary)	Coalfields Regeneration Trust
Arts Council England	Birstall Primary Academy	C H & Co Catering (Heckmondwike GSAT)	Carroll Cleaning Company Ltd (Southmere Primary Academy)	Cockburn Multi Academy Trust

PARTICIPATING EMPLOYERS

Collaborative Learning Trust	Dolce Limited (Bishop Konstant C.A.T)	Great Heights Academy Trust (The M F G and Marsden)	Horton Housing Association (Bradford)	JPL Catering Ltd (The Brigshaw Learning Partnership)
Collingham Lady Elizabeth Hastings	Dolce Limited (Ossett Holy Trinity School)	Greenhead Sixth Form College	Huddersfield New College	Keelham Primary School
Community Accord	Dolce Limited (Stanley St Peters School)	Groundwork Yorkshire Ltd	Hugh Gaitskell Primary School Trust	Keighley Town Council
Compass (Leeds PFI Schools)	Elevate Multi Academy Trust	Guiseley Infants	Hunslet St Josephs Catholic (VA) Primary School	Killinghall Primary School
Compass Contract Services (UK) Ltd	Enhance Academy Trust	Guiseley School	Hutchison Catering (RKLT)	King James's School
Compass Contract Services (UK) Ltd (Farfield Primary School)	Enviroserve (Miriam Lord)	Halifax Opportunities Trust (Calderdale)	Hutchison Catering Limited (Blessed Peter Snow CAT)	Kirkburton Parish Council
Compass Contract Services (UK) Ltd (Newhall Primary)	Enviroserve (Priestley Academy Trust)	Harden Village Council	Hutchison Catering Ltd (Cottingley Primary Academy)	Kirklees Active Leisure
Compass Contract Services (UK) Ltd (St Stephens CE Primary)	Equans Property Services Limited	Hawksworth C E (VA) Primary School	Hutchison Catering Ltd (Feversham Primary Academy)	Kirklees Citizens Advice And Law Centre
Cookridge Holy Trinity C E Primary School	Ethos Academy Trust	Heart of Yorkshire Education Group	Hutchison Catering Ltd (Leeds Diocesan Learning Trust)	Kirklees College
Corpus Christi Catholic Primary School	Evolve Academy (Ethos Academy Trust)	Heaton St Barnabas C of E Primary School	I S S Mediclean Ltd	Kirkstall St Stephens C E (VA) Primary School
Cottingley Primary Academy	Exceed Academies Trust	Hebden Royd Town Council	I.S.S. Mediclean Ltd (Outwood Academy Freeston)	Lady Elizabeth Hastings School
Craft Centre & Design Gal. Ltd	Fairfield School	Heckmondwike GS Academy Trust	ICS Ltd (Outwood Academy Trust)	Laisterdyke Leadership Academy
Crescent Purchasing Ltd	Falcon Education Academies Trust	Heckmondwike Primary School	ICS Ltd (Outwood Primary Academy Bell Lane)	Lane End Primary Trust
Crigglestone St James CE Primary Academy	Feversham Primary Academy	Hemsworth Town Council	ICS Ltd (Outwood Primary Academy Greenhill)	Learning Accord Multi Academy Trust
Crossley Street Primary School	Fieldhead Junior Infant And Nursery Academy	Hepworth Gallery Trust	ICS Ltd (Outwood Primary Academy Newstead Green)	Leeds Appropriate Adult Service
Crow Lane Primary And Foundation Stage School	Fleet Factors Ltd	Heritage Multi Academy Trust	IEXEL Education Trust	Leeds Arts University
Dalkia Facilities Limited	Foxhill Primary School	Hill Top First School	Ilkley Parish Council	Leeds Beckett University
Darrington C of E Primary School	Foxroyd Limited (Highburton First School)	Holme Valley Parish Council	Impact Education Multi Academy Trust	Leeds City Academy
Deighton Gates Primary Foundation School	Future Cleaning Services Limited (Calder High)	Holy Family Catholic (VA) Primary School	Incommunities	Leeds College Of Building
Delta Academies Trust	Golcar Junior Infants and Nursery School	Holy Trinity Primary C of E Academy	Independent Cleaning Services Limited (Garforth Academy)	Leeds Conservatoire
Denby Dale Parish Council	Golden Crown Management (Flushdyke J & I School)	Horsforth School Academy	Independent Cleaning Services Limited (Green Lane Academy)	Leeds Diocesan Learning Trust
Dixons Academies Charitable Trust Ltd	Great Heights Academy Trust	Horsforth Town Council	Inspire Partnership Multi Academy Trust	Leeds East Primary Partnership Trust

PARTICIPATING EMPLOYERS

Leeds Heritage Theatres	Mellors Catering Services (Strawberry Fields School)	Nell Bank Charitable Trust	Our Lady of Good Counsel Catholic Primary School	Pontefract Academies Trust
Leeds Jewish Free School	Mellors Catering Services Limited (Priestley Academy Trust)	New Collaborative Learning Trust	Our Learning Cloud (BDAT)	Pool Parish Council
Leeds North West Education Partnership	Mellors Catering Services Limited (Rainbow Academy)	NIC Services Group Limited (Alverthorpe St Pauls C E School)	Outwood Academy Freeston	Possabilities CIC
Leeds Society For The Deaf & Blind	Mellors Catering Services Limited (Star Academies)	NIC Services Group Limited (South Parade Infants)	Outwood Academy Greenhill	Possabilities CIC (2)
Leeds Trinity University	Mellors Catering Services Ltd (Green Lane Academy)	Ninelands Primary School	Outwood Academy Hemsworth	Premier Support Services (Leeds Diocesan Learning Trust)
Leodis Academies Trust	Meltham Town Council	Normanton Town Council	Outwood Academy Wakefield City	Priestley Academy Trust
Liberty Gas West	Menston Parish Council	Norse Group Limited (Wellspring Academy Trust)	Outwood Grange Academy	Primley Wood Primary School
Lighthouse School	Micklefield Parish Council	North Halifax Grammar Academy	Outwood Primary Academy Bell Lane	Primrose Lane Primary Foundation School
Lindley C E Infant Academy	Midshire Signature Services Ltd (Bronte Academy Trust)	North Halifax Partnership Ltd	Outwood Primary Academy Kirkhamgate	Pristine Clean (West Yorkshire Fire & Rescue)
Lindley Junior School Academy Trust	Midshire Signature Services Ltd (Guiseley School)	North Huddersfield Trust School	Outwood Primary Academy Ledger Lane	Progress to Change (Cardigan House)
Littlemoor Primary	Minsthorpe Academy Trust	Northern Education Trust	Outwood Primary Academy Lofthouse Gate	Progress to Change (Ripon House)
Littletown Junior School	Mitie FM Ltd	Northern School of Contemporary Dance	Outwood Primary Academy Newstead Green	Pudsey Grangefield School
Locala (Calderdale)	Mitie FM Ltd (P.C.C for West Yorkshire)	Northern Star Academies Trust	Outwood Primary Academy Park Hill	Pudsey Southroyd Primary School Trust
Longroyde Junior School	Mitie Integrated Services Ltd	Notre Dame Sixth Form College	Owlcotes Multi Academy Trust	Queensway Primary
Low Moor Primary School	Mitie Limited (Leeds Schools PFI)	NPS Leeds Limited	Oxenhope Village Council	Rainbow Primary Leadership Academy
Luminate Education Group	Moorlands Learning Trust	Oasis Academy Lister Park	Paddock Junior Infant And Nursery School	Rawdon Parish Council
Mast Academy Trust	Morley Town Council	OCS Food Co Limited (Mast Academy Trust)	Pennine Academies Yorkshire	RCCN Limited (Chellow Heights School)
Maxim (Oulton Academy)	Mount St Marys Catholic High School	OCS Food Group Ltd (St John Fisher Catholic Academy)	Pennine Alliance Learning Trust	RCCN Limited (Delta Academies)
Maxim Facilities Management Limited (Southfield Grange)	Mountain Healthcare Ltd (W Y Police)	Old Earth Academy	Pinnacle FM Limited (Kirklees)	RCCN Limited (Rodillian)
Meanwood C E (VA) Primary School	Myrtle Park Primary School	One In A Million Free School	Pinnacle FM Ltd	RCCN Limited (Waterton Academy Trust)
Mears Ltd (West)	N.I.C. Services Group Limited (Middleton St Marys Leeds)	Ossett Trust	Pinnacle FM Ltd (W Y Police)	Red Kite Learning Trust (Harrogate HR Hub)
Mellors (Accord MAT)	National Coal Mining Museum For England	Otley Town Council	Polaris M.A.T	Red Kite Learning Trust (Leeds East HR Hub)

PARTICIPATING EMPLOYERS				
Reevy Hill Primary School	SSE Contracting Ltd	Taylor Shaw Limited (Gorse Academies Trust)	Tranmere Park Primary	WRAT - Leeds East Academy
Relish School Food Ltd (Highfield School)	St Annes (Bradford) Community Services	Taylor Shaw Limited (Gorse AT Elliott Hudson College)	Trinity Academy Halifax	WRAT - Leeds West Academy
Robertson Facilities Management Limited (Wakefield Council)	St Anne's Community Services (Whiteoak Respite Centre)	Taylor Shaw Ltd (Gorse Boston Primary School)	Turning Lives Around	Wrose Parish Council
Rook's Nest Academy	St Anthonys Catholic (VA) Primary School	The Anah Project	Turning Point (Bradford 2)	Yeadon Westfield Infants
Rothwell St Marys Catholic (VA) Primary School	St Edwards Catholic (VA) Primary School	The Bishop Konstant Catholic Trust	United Response	Yeadon Westfield Junior
Rufford Park Primary	St Francis Catholic Primary School	The Bishop Wheeler Catholic Academy Trust	University Of Bradford	Yorkshire Purchasing Organisation
Russell Hall First School	St Gregory The Great Catholic Academy Trust	The Cellar Trust Ltd (Bradford Wellbeing Service)	University Of Huddersfield	Yorkshires Cleaning Services (Slaithwaite J & I School)
Ryhill Parish Council	St John's (CE) Primary Academy Trust	The Co-Operative Academies Trust	W.Y. Fire & Rescue Authority	
Sandy Lane Parish Council	St John's Primary Academy Rishworth	The Co-Operative Academies Trust (Taylor Shaw)	Wakefield & District Housing Ltd	
SBFM Limited (Bradford College)	St Josephs Catholic (VA) Primary School Wetherby	The Crossley Heath Academy Trust	Wakefield Council (Aspens Services Ltd - Snapethorpe Primary School)	
School-Led Development Trust	St Josephs RC Primary School (Todmorden) RCAT	The Family Of Learning Trust	Waterton Academy Trust	
SHARE Multi Academy Trust	St Michael & All Angels J & I	The GORSE Academies Trust	Wellspring Academy Trust	
Shibden Head Primary Academy	St Nicholas Catholic Primary School	The Lantern Learning Trust	West Yorkshire Combined Authority	
Shipley College	St Oswalds Church of England Primary School	The Resilience Multi Academy Trust	Westborough High School	
Shipley Town Council	St Patricks Catholic (VA) Primary School	Thornhill Junior And Infant School	Westwood Primary School Trust	
Sitlington Parish Council	St Philips Catholic Primary School	Thornton Primary School	Wetherby High School	
South Elmsall Town Council	St Theresas Catholic Primary School	Thorp Arch Lady Elizabeth Hastings C E (VA) Primary School	Wetherby Town Council	
South Hiendley Parish Council	Star Academies Trust	TNS Catering (SPTA)	Whinmoor St Pauls C E Primary School	
South Kirkby And Moorthorpe Town Council	Strawberry Fields Primary School (Selby Educational Trust)	Together Housing Association Ltd (Greenvale)	Wilsden Primary School	
South Pennine Academies	Suez Recycling And Recovery UK Limited	Together Housing Association Ltd (Pennine)	Wolseley UK Ltd	
Southway at the Rodillian Academy Ltd	Synergy FM Ltd (Raynville Academy)	Together Learning Trust	Woodside Academy	
Spen Valley High School	Taylor Shaw (PAT)	Tong Leadership Academy	Worth Valley Primary School	

Shared service provision

In addition to the local government pensions paid each month, West Yorkshire Pension Fund also provides a pensions administration and payroll service for the following 27 organisations.

	Service type	Shared service partners
1	LGPS	Lincolnshire LGPS
2	LGPS	LB Hounslow LGPS
3	LGPS	LB Barnet LGPS
4	FIRE	West Yorkshire Fire
5	FIRE	South Yorkshire Fire
6	FIRE	North Yorkshire Fire
7	FIRE	Humberside Fire
8	FIRE	Lincolnshire Fire
9	FIRE	Royal Berkshire Fire
10	FIRE	Buckinghamshire and Milton Keynes Fire
11	FIRE	Devon and Somerset Fire
12	FIRE	Dorset and Wiltshire Fire
13	FIRE	Tyne and Wear Fire
14	FIRE	Northumberland Fire
15	FIRE	Norfolk Fire
16	FIRE	Staffordshire Fire
17	FIRE	Hereford and Worcester Fire
18	FIRE	East Sussex Fire
19	FIRE	Durham and Darlington Fire
20	FIRE	Leicestershire Fire
21	FIRE	Nottinghamshire Fire
22	FIRE	Derbyshire Fire
23	FIRE	Cambridgeshire Fire
24	FIRE	Northamptonshire Fire
25	FIRE	Shropshire Fire
26	FIRE	Warwickshire Fire
27	FIRE	Avon Fire

The combined shared service membership for the 2024/25 financial year is shown in the following table.

	Service type	Shared service partners	2024/25 Active	2024/25 Pensioners	2024/25 B'ficiaries	2024/25 Deferred	2024/25 Undecided	2024/25 Frozen	2024/25 Total	2023/24 Total
	LGPS	W Yorkshire PF	107,023	105,225	12,084	90,850	1,604	10,846	327,632	323,414
1	LGPS	Lincolnshire PF	26,517	27,347	2,766	25,786	519	2,507	85,442	83,949
2	LGPS	LB Hounslow PF	6,799	7,872	997	7,695	130	1,264	24,757	24,641
3	FIRE	LB Barnet PF	9,227	9,470	1,105	9,785	216	1,220	31,023	31,127
4	FIRE	West Yorkshire Fire	1,061	2,059	398	384	3	3	3,908	3,765
5	FIRE	South Yorkshire Fire	685	1,130	227	198	12	12	2,264	2,197
6	FIRE	North Yorkshire Fire	678	552	110	526	46	12	1,924	1,834
7	FIRE	Humberside Fire Authority	790	981	161	368	25	4	2,329	2,251
8	FIRE	Lincolnshire Fire	642	385	65	764	37	36	1,929	1,843
9	FIRE	Royal Berkshire Fire	448	468	62	271	7	3	1,259	1,198
10	FIRE	Bucks and MK Fire	438	412	82	411	7	6	1,356	1,317
11	FIRE	Devon and Somerset Fire	1,689	1,395	207	1,298	46	17	4,652	4,463
12	FIRE	Dorset and Wiltshire Fire	1,092	944	131	913	42	7	3,129	2,880
13	FIRE	Tyne and Wear Fire	574	1,228	197	166	7	0	2,172	2,134
14	FIRE	Northumberland Fire	354	326	62	273	7	2	1,024	976
15	FIRE	Norfolk Fire	749	507	102	421	13	7	1,799	1,658
16	FIRE	Staffordshire Fire	699	739	132	777	15	17	2,379	2,215
17	FIRE	Hereford and Worcester Fire	629	529	74	503	18	4	1,757	1,637
18	FIRE	Durham and Darlington Fire	468	527	98	314	10	0	1,417	1,370
19	FIRE	East Sussex Fire Total	540	611	115	402	57	5	1,730	1,684
20	FIRE	Derbyshire Fire Total	681	709	122	460	38	13	2,023	1,965
21	FIRE	Leicestershire Fire Total	656	660	91	405	17	10	1,839	1,690
22	FIRE	Nottinghamshire Fire Total	651	851	142	420	4	7	2,075	2,029
23	FIRE	Cambridgeshire Fire	526	477	55	506	7	10	1,581	1,486
24	FIRE	Northamptonshire Fire	437	401	63	367	41	15	1,324	1,249
25	FIRE	Shropshire Fire	480	355	61	336	8	9	1,249	1,195
26	FIRE	Warwickshire Fire	381	391	80	310	8	5	1,175	1,141
27	FIRE	Avon Fire	640	912	147	351	13	0	2,063	2,044
		Total	**165,554**	**167,463**	**19,936**	**145,260**	**2,957**	**16,041**	**517,211**	**509,352**

WYPF quality management

ISO 9001:2015

WYPF is an ISO 9001:2015 accredited service provider. All WYPF's services are quality assured using rigorous quality management systems and assessed by external assessors. WYPF first achieved accreditation in 1994 and has successfully maintained this accreditation since.

The purpose of the ISO 9001:2015 certification is to ensure that WYPF provides quality Local Government Pension Scheme administration to employers, members and beneficiaries within the scope of Local Government Pension Scheme regulations and the Firefighters' Pension Scheme order.

WYPF quality policy

- We will provide an efficient and effective service to all our scheme members by responding quickly to requests for information and advice
- We will provide an efficient and effective service to all beneficiaries, i.e. current pensioners, dependants and deferred members and receivers of early leaver benefits by paying correct benefits on time.
- We will provide an efficient and effective service to all employers whose employees participate in a pension scheme administered by WYPF, respond quickly to requests for information, advice and training, and provide detailed guidance on implications

Quality management system

As part of the quality management system, several systems and procedures have been put in place to ensure our service continually improves. These include:

- Having procedures in place for dealing with customer complaints and faults and ensuring appropriate corrective and preventative actions are taken
- Conducting internal quality audits to ensure quality is maintained and to identify improvements
- Monitoring our processes to obtain statistical data on our efficiency in calculating and paying pensions, so we can ensure benefits are paid on time
- Surveying customers about their experience of our service
- Holding regular service review meetings to review service performance and quality issues.

Information Security Management System ISO 27001

WYPF achieved accreditation to ISO27001 Information Security Management Certificate in April 2019.

This accreditation is particularly important to WYPF as it highlights our continued commitment to information security and provides assurance to our members and customers that we have the ability to protect their data and corporate reputation at all times. An ISMS (Information Security Management System) is a systematic approach to managing sensitive personal and company information so that it remains secure. It includes people, processes and IT systems by applying a risk management process.

Management and customer service key performance indicators

WYPF monitors its performance against several key performance indicators (KPIs). All aspects of our administrative structure, processes and systems are reviewed on a planned cycle. Critical business areas impacting on pensioners and their families takes priority. Listed below are 20 key performance indicators in this area of work:

	Work type	Total cases 2024/25	Target days 2024/25	Target cases met 2024/25	Actual KPI 2024/25 %	Actual KPI 2024/25 %	Actual KPI 2023/24 %	Actual KPI 2022/23 %
1	Payment of pensioners (WYPF LG pensioners and beneficiaries)	2,248,788	Paid on due days	2,248,788	100.00	100.00	100.00	100.00
2	Change of address	3,414	20	3,397	85.00	99.50	99.67	96.95
3	Change to bank details	1,469	20	1,459	85.00	99.32	99.35	97.78
4	Death grant nomination	707	10	609	85.00	86.14	84.89	90.50
5	Death grant payments	255	10	223	170.00	177.55	87.55	90.81
6	Death in retirement	3,218	10	2,859	85.00	88.84	91.02	88.64
7	Deferred benefits	10,782	30	8,842	85.00	82.01	54.87	82.61
8	Deferred benefits into payment actual	3,240	15	3,107	90.00	95.90	95.21	98.68
9	Divorce quote	621	45	614	85.00	98.87	96.43	98.50
10	Life certificate received	1,532	10	1,270	85.00	82.90	73.05	73.05
11	Monthly posting	5,398	10	4,898	95.00	90.74	81.16	95.00
12	Payroll changes	2,012	20	2,004	85.00	99.60	99.75	99.56
13	Pension estimate	3,654	15	3,356	90.00	91.84	75.50	77.47
14	Refund payment	2,598	10	2,598	90.00	100.00	99.93	99.23
15	Refund quote	3,997	35	3,996	85.00	99.97	99.10	91.52
16	Retirement actual	3,776	15	3,482	90.00	92.21	94.34	99.66
17	Transfer out payment	239	15	230	85.00	96.23	95.68	87.69
18	Transfer-in payment	542	15	464	85.00	85.61	68.91	92.93
19	Transfer-out quote	2,046	35	1,722	85.00	84.16	83.45	96.92
20	Update Member Details	10,513	20	10,431	100.00	99.22	97.21	99.78

Staff numbers

	2024/25 FTE	2023/24 FTE	2022/23 FTE	2021/22 FTE	`2020/21 FTE
Investments	35.8	32.1	28.8	28.5	23.91
Service centre staff	73.6	70.6	65.3	57.7	52.44
Payroll	24.2	22.9	22.4	21.4	17.3
ICT/UPM staff	19.4	17.6	14.6	12.6	14.43
Finance staff	20.4	20.8	19.8	15.8	11.81
Business support staff	41	38.4	39.1	35.1	27.39
Technical	6.6	5.7	5.6	5.6	4.95
Total	**221.01**	**208.2**	**195.6**	**176.8**	**152.23**

Membership trends over a five-year period

Fund membership continues to grow, with a total membership, including undecided leavers and frozen refunds, of 323,414 as at 31 March 2024. Active members are employed by 409 separate organisations.

	2024/25	% change	2023/24	% change	2022/23	% change	2021/22	% change	2020/21
Active members	107,023	(0.07)%	107,102	(3.25)%	110,704	5.54%	104,890	3.77%	101,079
Pensioners	105,225	4.55%	100,644	4.23%	96,561	3.93%	92,906	3.98%	89,346
Beneficiaries	12,084	(0.43)%	12,136	0.55%	12,070	2.25%	11,804	2.44%	11,523
Deferred members	90,850	0.36%	90,524	3.71%	87,284	0.72%	86,657	1.12%	85,696
Undecided leavers	1,604	(20.55)%	2,019	5.71%	1,910	17.61%	1,624	(3.22)%	1,678
Frozen refunds	10,846	(1.30)%	10,989	0.31%	10,955	10.49%	9,915	10.35%	8,985
Total	**327,632**	**1.30%**	**323,414**	**1.23%**	**319,484**	**3.80%**	**307,796**	**3.18%**	**298,307**

Admissions to the fund

Employees joining the fund were as follows.

	2024/25	2023/24	2022/23	2021/22	2020/21
Employees joining with no previous service	22,644	27,473	25,185	21,007	20,306
Employees with transfers from other pension schemes	797	37	65	20	23
Other pension schemes	542	201	248	248	249
Total	**23,983**	**27,711**	**25,498**	**21,275**	**20,578**

Withdrawals from the fund

Benefits awarded to members leaving employment were as follows.

	2024/25	2023/24	2022/23	2021/22	2020/21
Members awarded immediate retirement benefits	3,776	3,390	2,982	3,298	3,151
Benefits awarded on death in service	91	125	113	106	117
Members leaving with entitlement to deferred benefits, transfer of pension rights or a refund	13,380	10,770	6,676	6,465	5,602
Total	**17,247**	**14,285**	**9,771**	**9,869**	**8,870**

Delivery of communications policy

Details of the Communications Policy can be found in Appendix F: Communications Policy

Value for Money Report

At WYPF value for money (VFM) is fundamental to everything we do, as a public sector - not for profit organisation we use VFM to assess our service delivery and judge our financial performance. In making our VFM assessment we take a closer look at our operations in terms of:

1. Our performance within the LGPS and the pension industry.
2. Services provided across shared services for all:
    a. Pension members
    b. Employers.
3. Our investment performance and costs, delivered by our internal teams.

In all the three areas of core services we are focused on high performing quality services, delivered at scale and in the most efficient and effective way. To secure VFM for WYPF we apply the traditional three VFM criteria of:

1. Economy – we spend just the right amount of resources to deliver to services that are top quartile in terms of measured performance.
2. Efficiency – we get the most out of our inputs, we will consider both internal and external service provisions. If we need to we will develop our own internal services and we are big on collaboration within the public sector pension fund.
3. Effectiveness – we spend wisely to achieve the intended outcomes. We use agile continuous improvement processes to manage our operations and flex our activities to ensure out service remain effective and affordable.

Our VFM approach starts with the following 6 steps:

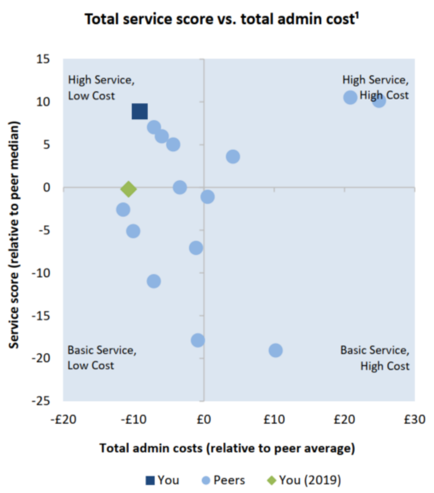
1. Service reviews – use our shared service partners collaboratively to challenge and review all pension services.
2. Explore best practice and use this to raise service standards.
3. Agree clear measurable targets across our services, including our service partners.
4. Use zero base budgeting to provide appropriate level of resources each year and move resource to where it is needed.
5. Monitor service performance and take corrective actions at the right level to deliver our services.
6. We compare and contrast our service outcomes and costs with peer organisations within the LGPS and globally within the pension industry.

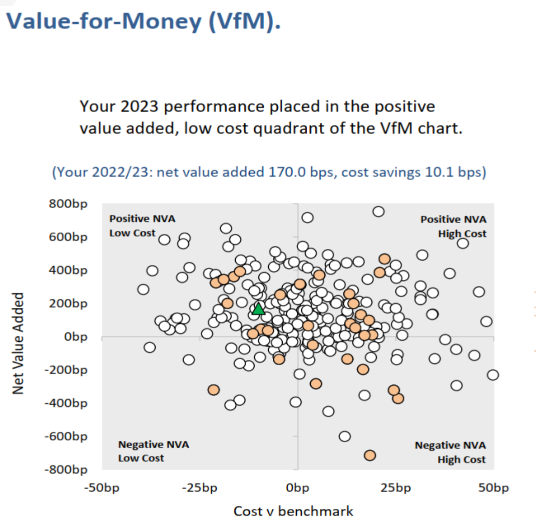
Like many public sector organisations we use benchmarked service outcomes and KPIs to judge the quality, effectiveness and cost of our services, in effect these gives a view of our VFM performance. We use the following benchmarking service to conclude our yearly VFM assessment of services:

a. DLUHC sf3 LGPS fund annual return result.
b. Pension members and employer's customer satisfaction surveys
c. CIPFA Benchmarking Club – Pension Administration
d. CEM Benchmarking – Pension administration
e. CEM Benchmarking – Investment management
f. Investment Association – Annual Survey (investment management operating cost in basis points)

WYPF is a high performing low cost LGPS fund – top quartile VFM LGPS Fund.

The sf3 annual results gives us the simplest indication of our VFM performance in terms of cost per member, when this information is linked to our service KPIs it becomes the strongest evidence of our top quartile VFM performance. For 2023/24 the latest sf3 result at the time of writing WYPF delivered the lowest total cost per member within LGPS fund in England and Wales. When this figure is viewed against WYPF service KPIs, customer satisfaction surveys, and information provided by CIPFA and CEM benchmarking surveys, WYPF is ranked as a low cost high performing organisation for both pensions administration and investment management.





Cost per member

Cost per member	West Yorkshire Pension Fund 2024/25 Financial Statement	Position 2023/24 Gov't data SF3	West Yorkshire Pension Fund 2023/24 Gov't data SF3	LGPS lowest 2023/24 Gov't data SF3	LGPS highest 2023/24 Gov't data SF3	LGPS Average 2023/24 Gov't data SF3
Admin cost per member	£18.93	4th	£18.04	£7.81	£132.96	£29.73
Investment cost per member	£27.40	2nd	£22.12	£4.60	£1,118.80	£271.38
Oversight and governance	£4.70	4th	£4.51	£0.00	£112.65	£13.96
Total cost per member	**£51.03**	**1st**	**£44.67**			
Lowest / Highest / Average (not a sum of figures in the table above)				**£44.67**	**£1,190.97**	**£315.07**

2024/25 WYPF cost per member

The 2024/25 annual cost per member for the West Yorkshire Pension Fund for pension administration is £18.93, investment management £27.40 and oversight and governance £4.70 giving a total management cost per member of £51.03. These figures compare favourably with the average cost for authorities in the Department for Levelling Up, Housing and Communities (DLUHC) – SF3 data collection results for the previous year shown in the table above.

2023/24 administration cost per member

From the latest data provided by government, WYPF's pension administration cost of £18.04 per member is the 4th lowest amongst LGPS fund in England and Wales for 2023/24. The lowest cost is £7.81 and the highest is £132.96

2023/24 investment management cost per member

WYPF's investment management cost per member in the latest result is £22.12, this is the 2nd lowest cost. The lowest cost is £4.60 and the highest £1,111.80. The reason for this low cost is primarily that WYPF has relatively simple investment arrangements – all assets are managed internally, with a small number of mandates and a centralised office support for both investment management and pension administration.

2023/24 oversight and governance cost per member

On oversight and governance, WYPF's is the 4th lowest cost at £4.51. The highest is £112.65

2023/24 total cost per member

WYPF has the lowest total cost per member (administration, investment, and oversight & governance) at £44.67. The national average for the LGPS in 2023/24 is £315.07 and the highest is £1,190.97

Disaster recovery and risk management monitoring

WYPF uses Bradford Council's pair of geographically separated data centres, which are 3.2km apart. Both purpose-built data centres are protected by redundant power (UPS), a backup generator and cooling.

- The data centres are connected by point-to-point council-owned fibre runs. Data centres have secure access systems and are monitored 24/7 by Bradford's CCTV Unit.
- Both sites are permanently live and accessible by our internal end-users who are networked to the sites via diverse fibre cable routes.
- Where possible, servers are virtualised, using VMWare. The servers and data are replicated between the VMWare hosts utilizing site recovery manager at both sites to ensure a short recovery time.
- Data is backed up to disk medium in a 24-hour cycle and written to tape archive on robotic tape libraries at both sites. An encrypted archive copy is sent to a dedicated offsite storage facility every week.
- WYPF's server, disk and core network infrastructure is monitored for errors and warnings, and these generate a ticket on the WYPF IT ITIL system for investigation and resolution.
- Critical data stores are also replicated at disk level regularly depending on the importance of the data. In the event of serious system failures, WYPF would re-provision testing hardware and the infrastructure environment for live running.

- WYPF regularly test our site recovery manager by conducting an non-disruptive test.
- WYPF conducted Disaster Recovery test in July 2023 and proved systems are available from Disaster Recovery site.

In the event of WYPF office accommodation becoming unavailable, staff will be relocated to other council offices, our Lincoln office or work remotely. WYPF is covered by the Council's comprehensive disaster recovery plan for the email, web, phone, network and SAP services they deliver for us.

Social media

WYPF's Facebook and Twitter accounts were launched in November 2014 to encourage members of all ages to engage more with the Fund. A LinkedIn page is also maintained.

https://twitter.com/wypf_lgps

www.facebook.com/westyorkshirepensionfund

https://uk.linkedin.com/company/west-yorkshire-pension-fund

Privacy policy

Our privacy policy can be found on our website using the link below:

https://www.wypf.org.uk/administration/privacy-index/lgps/wypf-index/

Complaints and dispute resolution

Details of the complaints and dispute resolution are detailed below and can also be found in Appendix A: Resolving Complaints

Internal dispute resolution procedure

With pensions being such a complicated issue it's inevitable that occasionally disagreements between members, employers and WYPF arise.

When disagreements do happen we do all we can to try to resolve them informally and reach an agreement.

But this isn't always possible. The scheme provides a formal way for disagreements to be resolved: the internal dispute resolution procedure (IDRP).

The IDRP is a two-stage process.

Stage 1 gives scheme members a chance to have a disagreement reviewed by either the employer or WYPF, depending on whom the dispute is against. The review will be undertaken by an 'adjudicator', specified by the body which was responsible for making the original decision being appealed. The member must apply for a review under Stage 1 within six months of the disagreement coming to light.

If the scheme member or their employer is not happy with the outcome of the stage 1 review, they can refer the matter to the administering authority for review under the procedure's second stage.

If further help is needed

The Pensions Ombudsman's Early Resolution Service can also help with resolving disputes if both stages of the IDRP have not provided an agreement.

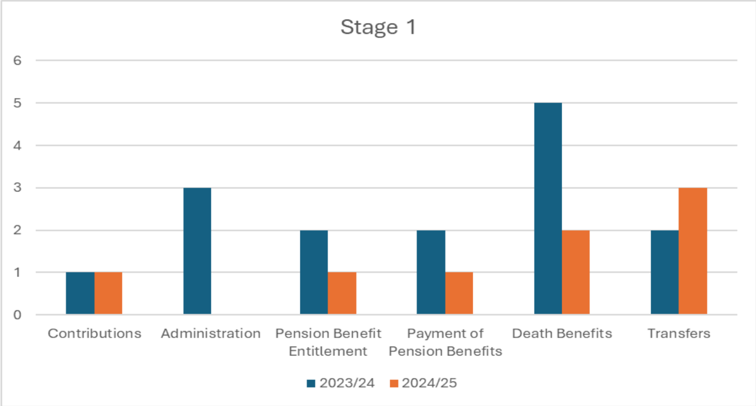
The Pensions Ombudsman settles disputes and investigates complaints that its Early Resolution Service has not been able to settle. The ombudsman's decision is final and binding on all the parties to a dispute.

Maintaining good service standards in pension schemes

The Pensions Regulator (TPR) was set up following the 1995 Pensions Act. Its main role is to protect pension scheme members. From 1 April 2015 TPR's remit was extended to cover the administration of public service pension schemes. As required by section 90A(2) of the Pensions Act 2004, TPR issued a code of practice on governance and administration of public service pension schemes. In March 2024 TPR replaced 10 of its 16 current codes of practice, which included the code of practice on governance and administration of public service pension schemes, with the General Code of Practice. The General Code of Practice sets out TPR's expectations of how occupational pension schemes should be managed and the policies, practices and procedures that should be in place.

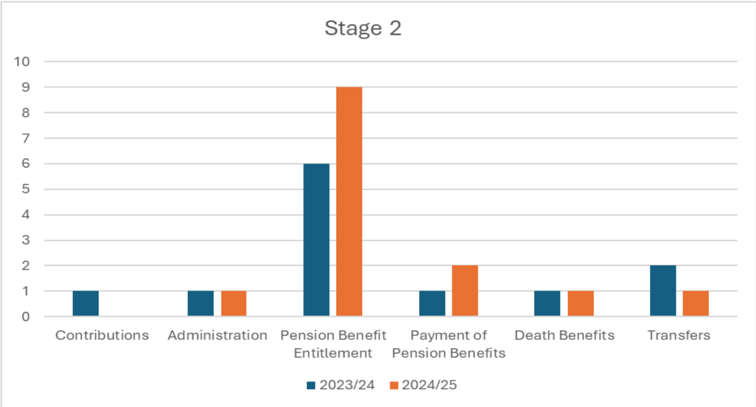
In 2024/25 8 stage 1 IDRP applications were considered compared to 15 in 2023/24. In 2024/25 7 applications were turned down, 0 applications were referred back to be re-considered and 1 application was upheld. The comparisons for 2023/24 are 9 applications were turned down, 2 applications were referred back to be re-considered and 4 applications were upheld

The chart below provides a summary of the types of stage 1 IDRP applications



In 2024/25 14 stage 2 IDRP applications were considered compared to 12 in 2023/24. In 2024/25 12 applications were turned down, 2 applications were referred back to be re-considered and 0 applications were upheld. The comparisons for 2023/24 are 10 applications were turned down, 2 applications were referred back to be re-considered and 0 applications were upheld

The chart below provides a summary of the types of stage 2 IDRP applications



Pensions Ombudsman Cases

During 2024/25 2 complaints that had been submitted to the Pensions Ombudsman were resolved. Both complaints were not upheld, with the first relating to receipt of an incorrect Annual Benefit Statement and the second not changing the reason for leaving from voluntary resignation to ill health retirement.

SECTION 8 ACTUARIAL REPORT ON FUNDS

The actuarial report is provided in Note 2 to the account, this is to allow disclosure of a material strategic item in both versions of the WYPF statutory accounts:

1. **WYPF account published within the City of Bradford Metropolitan District Council's account (Note 2 - page 130).**
2. **WYPF full report and account (Section 5, Note 2 - page 25 of this document)**

SECTION 9 EXTERNAL AUDIT OPINION

Independent auditor's statement to the members of City of Bradford Metropolitan District Council on the pension fund financial statements included within the West Yorkshire Pension Fund annual report

Report on the audit of the financial statements

Opinion

In our opinion, the Pension Fund financial statements are consistent with the audited financial statements of City of Bradford Metropolitan District Council for the year ended 31 March 2024 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2023/24.

Respective responsibilities of the Interim Director of Finance and the auditor

As explained more fully in the City of Bradford Metropolitan District Council's Statement of Responsibilities, the Interim Director of Finance is responsible for the preparation of the Pension Fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to the Members of [name of Authority] as a body, whether the Pension Fund financial statements within the Pension Fund annual report are consistent with the financial statements of City of Bradford Metropolitan District Council.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the Pension Fund financial statements contained within the audited financial statements of City of Bradford Metropolitan District Council describes the basis of our opinions on the financial statements.

Use of this auditor's statement

This report is made solely to the members of City of Bradford Metropolitan District Council, as a body and as administering authority for the West Yorkshire Pension Fund, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of City of Bradford Metropolitan District Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than City of Bradford Metropolitan District Council and City of Bradford Metropolitan District Council's members as a body, for our audit work, for this statement, or for the opinions we have formed.

Alastair Newall,
Key Audit Partner For and on behalf of Forvis Mazars LLP
Forvis Mazars
One St Peter's Square
Manchester
M2 3DE

ANNEX A - ADMINISTRATION KEY PERFORMANCE INDICATORS

Table A - Total number of casework

Casework KPI	Total number of cases open as at 31/03/24 starting position	Total number of new cases created in the year 01/04/24 to 31/03/25	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependant members.	16	3,595	3,597	99.6%	3,420	100.0%
New dependant member benefits	44	1,325	1,327	96.9%	1,324	100.0%
Deferred member retirements	73	3,342	3,328	97.5%	3,089	98.5%
Active member retirements	91	3,909	3,896	97.4%	3,430	98.5%
Deferred benefits	2,207	10,590	11,224	87.7%	12,608	100.0%
Transfers in (including interfunds in, club transfers)	697	1,417	1,451	68.6%	1,460	67.7%
Transfers out (including interfunds out, club transfers)	958	1,963	1,599	54.7%	984	50.6%
Refunds	32	2,638	2,657	99.5%	2,836	100.0%
Divorce quotations issued	17	649	630	94.6%	561	99.3%
Actual divorce cases	1	29	27	90.0%	20	100.0%
Member estimates requested either by scheme member or employer	100	3,718	3,765	98.6%	4,198	97.5%
New joiner notifications	645	18,938	19,380	99.0%	8,499	99.7%
Aggregation cases	14	7,236	6,651	91.7%	17,900	96.0%
Optants out received after 3 months membership		358	358	100.0%	473	100.0%

Table B - Time taken to process casework

Casework KPI	Fund target	% completed within fund target in year	% completed in previous year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependant member	5 days	96.7	95.5
Communication issued confirming the amount of dependants pension	5 days	84.4	78.2
Communication issued to deferred member with pension and lump sum options (quotation)	35 days	92.2	98.5
Communication issued to active member with pension and lump sum options (quotation)	10 days	96.7	70.7
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	95.9	88.1
Communication issued to active member with confirmation of pension and lump sum options (actual)	3 days	92.2	97.9
Payment of lump sum (both active and deferred members)	5 days	94.4	97.8
Communication issued with deferred benefit options	30 days	82.0	92.8
Communication issued to scheme member with completion of transfer in	35 days	65.7	99.9
Communication issued to scheme member with completion of transfer out	35 days	79.0	72.0
Payment of refund	10 days	100.0	99.4
Divorce quotation	40 days	98.9	90.3
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	80 days	100.0	100.0
Communication issued to new starters	10 days	98.9	93.2
Member estimates requested by scheme member and employer	15 days	91.8	76.1

Table C – Communications and engagement

Engagement with online portals	Percentage as at 31/03/25	Percentage as at 31/03/24
% of active members registered	50.0%	38.6%
% of deferred member registered	36.2%	23.8%
% of pensioner and survivor members	52.1%	37.6%
% total of all scheme members registered for self service	45.7%	65.2%
Number of registered users	115,434	210,742
% of all registered users that have logged onto the service in the last 12 months.	46.5%	50.2%
Communication	**Number as at 31/03/25**	**Number as at 31/03/24**
Total number of telephone calls received in year	103,985	91,997
Total number of email and online channel queries received	135,083	135,000
Number of scheme member events held in year (total of in-person and online)	38	74
Number of employer engagement events held in year (in-person and online)	44	0
Number of active members who received a one to one (in-person and online)	105	94
Number of times a communication (i.e. newsletter) issued to:		
a. Active members	2	2
b. Deferred members	1	1
c. Pensioners	2	2

Table D – Administration KPI - Resources

Resources	
Total number of all administration staff (FTE)	193.0
Average service length of all administration staff	18.0
Staff vacancy rate as %	9.30%
Ratio of all administration staff to total number of scheme members (all staff including management)	0.04%
Ratio of administration staff (excluding management) to total number of scheme members	0.04%

Table E – Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31st August 2024/25	98.50%
Short commentary if less than 100% . Only 99.01% produced, mostly due to data errors from employers and we are waiting for employers' responses to correct errors. Once errors are corrected ABS will be produced.	0.99% not produced.
Data category	
Common data score	96.34%
Scheme specific data score	93.78%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	3.17%
Percentage of active, deferred and pensioner members with an email address held on file. Only active and deferred are measured…	56.88%
Employer performance	
Percentage of employers set up to make monthly data submissions	100.00%
Percentage of employers who submitted monthly data on time during the reporting year.	74.11%

Annual benefit statements produced

ABS PERFORMANCE 2025 (26 JUNE 2025) MUST BE UPDATED ON SUNDAY 01SEP25	WYPF ACTIVE	WYPF DEFERRED	TOTAL LGPS
Members at 31/03/2024	**96,454**	**89,399**	**185,853**
Total Employer Blocks	60	-	**60**
Total WYPF Blocks	194	16	**210**
Total blocks	**254**	**16**	**270**
% of blocks	**0.26%**	**0.02%**	**0**
In the Queue – waiting to be produced	**2**	**1**	**3**
Produced (how many)	**96,118**	**87,891**	**184,009**
Produced (percentage)	**99.65%**	**98.31%**	**99.01%**
MyPension registered	44,669	27,925	**72,594**
MyPension Opt Out (Printed)	3,414	1,882	**5,296**
Not yet registered, but have email.	7,552	7,955	**15,507**
Not yet registered	40,483	50,129	**90,612**
	96,118	87,891	**184,009**
Not produced	336	1508	**1,844**
Not produced %	**0.35%**	**1.69%**	**0.99%**

100% not produced due to data errors from employers and we are waiting for employers' responses to correct errors. Once errors are corrected ABS will be produced.

Common data score

Data Type	%
Forename	100
Surname	100
Membership status	100
Date of birth	100
NI number	99.88
Address	96.91

Common data score is the lowest of above scores. 96.91%

APPENDICES

Appendices can be found on the WYPF website at:

https://www.wypf.org.uk/wypf/wypf-documents-and-boards/