

## Attendance

### Members of the Pensions Board

#### Employer representatives

Paul Johnson  
Ian Martin  
Joe McCormick (Chair)

#### Member representatives

Michael Foxall  
Cllr Hazel Malcolm  
Stan Ruddock  
Adrian Turner (Vice-Chair)

#### Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Jill Davys	Assistant Director - Investments and Finance
Rachel Howe	Head of Governance and Corporate Services - West Midlands Pension Fund
Lauren Pote	Governance Support Officer
Hayley Reid	Regulatory Governance Manager – West Midlands Pension Fund
Simon Taylor	Head of Pensions - West Midlands Pension Fund
Kirsty Tuffin	Democratic Services Officer

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## Part 1 – items open to the press and public

*Item No.*    *Title*

- 1 Apologies for absence**  
Apologies for absence were submitted on behalf of Sharon Champion.
- 2 Declarations of Interest**  
No declarations of interest were submitted.
- 3 Minutes of the Previous Meeting**  
That the minutes from the previous meeting held on 22 October 2019 be approved as a correct record.
- 4 Matters Arising**  
Rachel Brothwood, Director of Pensions, making reference to minute item 5, advised that due to the timings of publications and the end of the quarter, routine monitoring reports covered the quarter ending 30 September, with key developments over the most recent quarter noted in commentary to the report. This risk register had,

however, been updated to reflect monitoring and review over the period July to December, to bring this more up to date, as requested by the Board.

**5 Customer Engagement Update**

Simon Taylor, Head of Pensions, presented the report, an update of the Fund's customer engagement activity from 1 July 2019 to 30 September 2019, in line with its Customer Engagement Strategy.

The Board were advised that during this period a number of engagements with customers had taken place which included:

- Presentations delivered to 325 attendees held at a variety of different locations including district Councils, universities, schools and other admitted bodies.
- 10 satellite support events for hard to reach members, who may not normally be able to access services.
- Further support through drop in sessions and roadshows, supporting 1,580 members on an individual basis.

In response to a question raised by an employer representative the Board were advised that feedback from the Fund's 2019 Annual General Meeting held on 3 December 2019 would be included in the customer engagement report presented to the Board in April, ahead of the Fund's Mid-Year Review.

Resolved:

1. That the engagement activity and informed service development report be noted.
2. That the specific engagement supporting consultation on the Funding Strategy Statement aligned to the 2019 actuarial valuation be noted.

**6 Pensions Administration Report from 1 July to 30 September 2019**

Simon Taylor, Head of Pensions, presented the report on the work undertaken by the pension's administration service areas during the period 1 July – 30 September 2019 for both the Main Fund and the WMITA Pension Fund.

The Board were informed that following legislation effective 8 November 2019, merging the West Midlands Local Government Pension Schemes (the Main Fund and the WMITA Pension Fund) (LGPS) funds, reporting will be prepared at total Fund level going forward.

Resolved:

1. That the pensions administration activity for both the West Midlands Pension Fund (the Main Fund) and the West Midlands Integrated Transport Authority Fund (the WMITA Pension Fund), in particular that performance targets were met across the key benefit operation processes during the reporting period be noted.
2. That the progress being made with the Fund's Digital Transformation Programme to support the Fund to transform its business areas through the use of information and technology to drive business efficiencies be noted.

**7 Data Management**

Rachel Howe, Head of Governance and Corporate Services, presented the report, an update on the work of the Fund in delivering improved data quality in line with the Pension Regulator's Code of Practice.

In response to a question raised by the Board relating ABS performance, Rachel Howe, Head of Governance confirmed that the Fund would continue to review reasons for non-production and had been working with employers to improve ABS delivery confirming all members had received communication from the Fund where it was unable to produce an annual benefit statement.

Resolved:

1. That the work of the Fund in delivering its Data Management Strategy and the steps being taken to monitor and drive data quality across the Fund be noted.

## 8 **Business Performance Update**

Rachel Howe, Head of Governance and Corporate Services, presented the report, an update on the Fund's key performance indicators for the period up to 30 September 2019 and details of the initial considerations for development of the Fund's Service Plan 2020 - 2025.

Paul Johnson asked whether the Fund had the capacity to deliver against the priorities in the Service Plan considering the changes to the LGPS environment highlighted within the report. Rachel Brothwood, Director of Pensions, advised that the Service Plan had a 5-year time horizon and delivery would be dependent on ongoing recruitment and systems developments. Progress had been in building the resources and tools to support delivery, but some elements were taking longer than initially envisaged and could be impacted by changes to the Scheme which are outside of the Fund's control. Progress against the objectives set within the annual plan, would continue to be reviewed and monitored on a quarterly basis.

Resolved:

1. That the Key Performance Indicators for the period up to 30 September 2019 be noted.
2. That the Fund's initial considerations in the development of its Service Plan 2020 – 2025 be noted.

## 9 **Legal and Compliance Update**

Rachel Howe, Head of Governance and Corporate Services, presented the report, an update on the work of the Fund to deliver a well governed scheme.

The Head of Governance informed the Board that the method of presentation of the Fund's risk register was being reviewed and that the new reporting style would be presented the Pensions Board for comment and review at their next meeting.

Following questions, Jill Davys, Assistant Director – Investments and Finance, advised that investment performance was reviewed on a quarterly basis however the Board were reminded that the Fund's investments were long term and that a three to five year view had been more appropriate for assessing delivery relative to investment objectives and funding requirements.

Resolved:

1. That an update on the Fund's annual General Data Protection Regulation (GDPR) assurance work be noted.
2. That the quarterly risk register, including the movement of risks and the actions taken to mitigate any impact be noted.
3. That the quarterly compliance monitoring be noted.

4. That the update on emerging changes within the Regulatory Environment applicable to the LGPS and wider pensions industry be noted.
5. That the update on the West Midlands' Local Government Pension Scheme (LGPS) Pension Fund Merger be noted.

## 10 **Investment Governance**

Jill Davys, Assistant Director - Investments and Finance, presented the report, an update on investment related matters including the ongoing development of LGPS Central Investment Pool and the Fund's responsible investment activities.

The Board were advised that a review of the Fund's Investment Strategy to coincide with the triennial Actuarial Valuation would be included in the Investment Strategy report, due to be presented to the next Pensions Committee meeting in March. The updated Investment Strategy Statement would be brought to the next Pensions Board meeting.

Jill Davys, Assistant Director- Investment and Finance advised that the Fund now had £6.5 billion (around 40%) of assets under management now invested in sub-funds developed by the LGPS Central investment pool, with further product development plans under review. It was noted that the Fund's strategy review and analysis of costs, including cost of transition, would inform future requirements of the pool. Further guidance on pooling had still been expected for consultation by MHCLG, although the timing had been unclear.

The Board were advised that the Fund would be reviewing its responsible investment framework and inherent engagement themes would be reviewed and expanded to include a greater focus on social and human rights issues, following discussion with the Pensions Committee.

Resolved:

1. That the update on investment governance matters including responsible investment and investment pooling be noted.

## 11 **Nominations 2020**

Rachel Brothwood, Director of Pensions, presented the report on nominations to the pension board for 2020-2021. The report asked the Board to convene an Appointments Panel to receive nominations for the year 2020-2021 and to confirm the seats for nomination.

Rachel Brothwood, Director of Pensions confirmed that there were two vacancies on the Board, one in each of the categories of member and employer representatives.

In accordance with the appointments process the Board were requested to form an appointments panel consisting of the Chair, Vice Chair and one member and one employer representative to consider applications for the vacant employer representative position. Following discussion, the Board agreed Paul Johnson – Employer Representative and Michael Foxall – Member Representative would sit on the appointments panel.

Resolved:

1. That it be agreed that Paul Johnson be the employer representative on the Local Pensions Board appointments panel.

[NOT PROTECTIVELY MARKED]

2. That it be agreed that Michael Foxall be the member representative on the Local Pensions Board appointments panel.