

Attendance

Members of the Pensions Committee

Cllr Milkinder Jaspal (Chair)
Cllr Craig Collingswood (Vice-Chair)
Cllr Stephen Simkins
Cllr Tersaim Singh
Cllr Keith Inston
Cllr Clare Simm - V
Cllr Paul Sweet - V
Cllr Andrew Randle
Cllr Paul Singh
Cllr Alan Taylor (Dudley MBC)
Cllr Peter Allen (Sandwell MBC)
Cllr Vera Waters (Walsall MBC)
Cllr Angela Sandison (Solihull Metropolitan Borough Council) - V
Cllr Phil Davis (Birmingham City Council)

Trade Union observers

Malcom Cantello (Unison)
Martin Clift (Unite)
Ian Smith (Unite) - V
Janice Wadrup (GMB)

Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Simon Taylor	Assistant Director - Pensions
Tom Davies	Assistant Director – Investment Strategy
Darshan Singh	Head of Finance
Rachel Howe	Head of Governance and Corporate Services
Amy Regler	Head of Operations
Rachael Lem	Responsible Investment Officer
Hayley Reid	Regulatory Governance Manager
Claire Nye	Director of Finance – Wolverhampton City Council - V
Amanda MacDonald	Client Lead Auditor – Wolverhampton City Council - V

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence (if any)**
Apologies were received from, Councillor Philip Page and Martin Clift, Trade Union Representative.
- 2 Notification of substitute members**
None.
- 3 Declarations of interests (if any)**
None.

4 **Minutes of the Previous Meeting**

That the minutes of the previous meeting held on 24 March 2021 be approved as a correct record.

5 **Matters arising**

Malcom Cantello, Trade Union Representative, advised the group as per item 8 of the minutes of the previous meeting, the Committee would require an update on HMRC's consultation regarding an increase in the minimum pension age for pensions tax. Rachel Brothwood, Director of Pensions advised that the Fund had fed into consultation responses and were awaiting a response from MHCLG regarding the LGPS Regulations and whether these would be amended in light of a change in minimum pension age, with further information to be provided to Committee as these emerge.

Malcolm Cantello queried the work on the Guaranteed Minimum Pension reconciliation. The Director of Pensions advised that work was ongoing and that a further report would be provided to Committee when the exercise had been completed. .

6 **Pensions Committee Annual Governance**

Rachel Howe, Head of Governance and Corporate Services, presented the Pensions Committee Annual Governance Report, which aimed to ensure effective due diligence in decision making through regular review of delegated powers, terms of reference and the continued engagement of Fund stakeholders on its governing bodies.

The Committee were advised that the proposed amendments to the terms of reference had been made to reflect recommended changes to statutory guidance and to align with wider constitutional changes in the City of Wolverhampton Council's Constitution, which was presented to Full Council and approved during the Annual General Meeting on 19 May 2021.

Resolved:

1. That the revised Terms of Reference for the Pensions Committee be approved.
2. That the re-appointment of the Unite and Unison Trade Union representatives and the appointment of the GMB representative to the Committee for the municipal year 2021/2022 be confirmed
Martin Clift and Ian Smith – Unite;
Malcolm Cantello – Unison;
Janice Wadrup – GMB.
3. That the revised Training Policy developed for members of the Fund's governing bodies be approved.
4. That the following dates and time of the meetings of the Pensions Committee be noted:
Pensions Committee – 10am
29 September 2021;
15 December 2021;
30 March 2022.

7 Governance and Assurance

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

Following the proposed changes to statutory guidance recommended as outcomes from the LGPS Scheme Advisory Board's Good Governance Review, the Fund had established a Representation Policy and reviewed and updated its Governance and Compliance Statement.

The Committee were advised that the Fund had continued to monitor potential risks, in line with the risk management framework, with focus on the changing regulatory environment and the Fund's ability to recruit and resource to key roles. The report also recommended the establishment of a Special Appointment Committee to support the appointment to the post for Assistant Director, Investment and Stewardship.

Resolved:

1. That the Governance and Compliance Statement be approved.
2. That the Fund's Representation Policy be approved.
3. That the establishment of a Special Appointment Committee to support in the appointment of the Assistant Director of Investment and Stewardship to the Fund be approved.
4. That the latest strategic risk-register and areas being closely monitored in the current environment be noted.
5. That the compliance monitoring activity undertaken during the quarter be noted.
6. The Fund's Key Performance Indicators and action taken to support service delivery be noted.
7. That the updates on potential regulatory changes and statutory guidance emerging from the LGPS and wider pensions industry be noted.

8 Statement of Accounts 2020-2021

Darshan Singh, Head of Finance, presented the report on the draft statement of accounts for the year ending 31 March 2021, together with delegations to finalise and enable publication of the statement of accounts and annual report following committee approval of the draft in September 2021.

The Committee were advised that the Fund's net asset value had increased from £15.3billion, at 31 March 2020 to £18.9 billion at 31 March 2021.

It was also noted that the Fund had continued to take a fully transparent approach to reporting investment costs, with reported costs reflecting an ongoing increase in disclosure by the Fund's investment managers.

Resolved:

1. That the draft Statements of Accounts for the year ending 31 March 2021 be approved.
2. That authority be delegated to the Chair and Vice Chair of Pensions Committee to approve the final Statement of Accounts once the audit is completed in September.

3. That authority be delegated to the Chair and Vice Chair of Pensions Committee to approve the final publication of the Fund's 2020-2021 Annual Report after approval of the draft by Pensions Committee in September 2021.
4. That it be noted, the draft accounts have been certified by the Section 151 Officer as required by regulations.
5. That it be noted, the draft Statement of Accounts (and the Annual Report) for West Midlands Pension Fund will now be subject to audit by the Fund's external auditors, Grant Thornton, with the final version, including audit opinion, to be reported to the Committee in September.
6. That it be noted, the Accounts and Audit (amendment) Regulations 2021 (SI no 2021/263) have extended the statutory accounting deadlines for completion of the draft and final Statement of Accounts for 2020/2021 and 2021/2022.

9 **Pensions Administration Report to 31 March 2021**

Amy Regler, Head of Operations, presented the report on the routine operational work undertaken by the pension's administration service areas during the period 1 January 2021 to 31 March 2021. The report provided the Committee with an overview of the activity and performance of the Fund's key functions.

The Committee were advised that following an increase in some pensions processes, volumes had returned back to business as usual levels during the quarter, with target KPI's met during the period 1 January to 31 March 2021.

The Committee were advised that monitoring of write-off's was ongoing and that the Fund had no concerns relating to the level of write-offs.

Resolved:

1. That the 10 applications for admission from employers into the Fund be approved and the 3 cases approved by the Chair be noted.
2. That the write-offs detailed in section 13 of this report be approved.
3. That the 2021 Administering Authority Policy Statement, confirming the discretions policy for the Fund be approved.
4. That the performance and workloads of the key pension administration functions be noted.
5. That the development of the Fund's membership and participating employers be noted.
6. That the ongoing work to improve efficiency and ensure consistency of processing and record keeping be noted.

10 **Customer Engagement Update**

Simon Taylor, Assistant Director of Pensions, presented the report on the Fund's customer engagement activity from 1 January 2021 to 31 March 2021 and to cover future planned customer engagement activity in the context of the Fund's Customer Engagement Strategy.

The report informed the Committee of the ongoing improvement in employer and member engagement, and delivery of services targeting improved outcomes for the Fund's customers.

The Fund continued to promote the pensions portal through the 'Be Pension Smart and Take Control of your benefits' campaign, Retirement Planning Pension Saving and Pensions Scams.

The Committee were advised that the updated Pensions Administration Strategy and the Employer Roadmap were currently under consultation with employers. Delegated approval was sought for the Director of Pensions to agree any changes following close of consultation with the Chair and/or Vice Chair of the Committee.

Committee were also advised that the consultation on the Fund's Funding Strategy Statement had been completed and the Fund were in the process of responding to individual consultation responses, following which the final statement would be published. Following queries in regard to pension scams, the Committee were advised that pension scams were an increasingly prevalent area and that the Fund were working hard to increase awareness among members. The Fund had signed up to the Pensions Regulator Pledge to protect pensions transfers and had enhanced the Fund's review process.

Resolved:

1. That authority be delegated to the Director of Pensions to finalise the 2021 Pensions Administration Strategy and associated Employer Engagement Roadmap in consultation with the Chair and/or Vice Chair of Pensions Committee, following completion of the consultation with participating employers be approved.
2. That the engagement activity and informed service development be noted.
3. That the publication of the Funding Strategy Statement effective 1 June 2021 be noted.
4. That the draft Pensions Administration Strategy and Employer Engagement Roadmap for 2021 be noted.

11 **Annual Report of the Local Pensions Board**

Rachel Howe, Head of Governance and Corporate Services, presented the report on the work undertaken by the Local Pensions Board ("the Board") during the 2020-2021 municipal year prepared in conjunction with the Board's Chair Joe McCormick, highlighting the work of the Board during the year, changes to membership and areas of focus for 2021/22.

The committee were advised that following the annual nomination process, the Board were at full capacity for 2021/22.

Resolved:

1. That the report prepared annually in order to meet the legislative requirement for recording the work of the Local Pensions Board be noted.

12 **Internal Audit Annual Report 2020-2021**

Amanda MacDonald, Client Lead Auditor, presented the report on the outcome of the work programme for internal audit for 2020 – 2021.

The Committee were advised that no significant issues had arisen throughout the year and that recommendations to address weaknesses/improvements had been agreed by management. Based on the work undertaken it was confirmed that internal audit had provided reasonable assurance that the Fund had adequate and effective internal controls in place.

Following discussion, it was confirmed that internal audit recommendations would be followed up during the year to confirm agreed actions had been implemented.

Resolved:

1. That the internal audit annual report for 2020 -2021 be noted .

13

Budget Monitoring and Quarterly Accounts to 31 March 2021

Darshan Singh, Head of Finance, presented the report on the out-turn do the year against operating budgets as at the end of March 2021, that detailed the Fund's administration, oversight / governance and investment management costs.

The Committee were advised that the Fund's quarterly accounts showed assets have increased to £18.9 billion during the period 2020-2021, an increase of £3.6 billion since 31 March 2020.

The Committee noted the underspend in operational budget linked to some delays in recruitment and service development during the year.

Following discussion with regards to the increase in investment management costs, the Committee were advised that the increase in reported costs was driven by an increase in manager disclosure and reflected the increase in the Fund's asset value.

Resolved:

1. That the quarterly accounts for the period ending 31 March 2021 which estimate the value of West Midlands Pension Fund at this date to be £18.9 billion, an increase of £3.6 billion (23%) since 31 March 2021 be noted.
2. That the Fund out-turn for 2020/21 against the operating budget for the year, noting the underspend in Fund management costs, and increased disclosure of investment management costs over the year be noted.

14

Quarterly Investment Report to 31 March 2021

Tom Davies, Assistant Director, Investment Strategy presented the report on the developments in investment markets, asset allocation and investment performance over the latest quarter in relation to the West Midlands Pension Fund (Main Fund and Admitted Body Sub Funds).

The Committee were advised that the Fund had performed in line with the respective benchmarks for the quarter to 31 March 2021.

The Fund's growth assets had delivered strong positive returns, with property performing well but infrastructure behind target as a result of the pandemic.

Following questions from Malcolm Cantello (Unison) regarding levels of cash held by the Fund, the Committee noted levels had been reduced following recent investments, with some excess held as reserve and collateral for equity futures.

Resolved:

1. That the global market and investment update paper prepared by the Fund's Investment Consultant, Redington (appendix A to this report) be noted.
2. That the Asset Allocation and Performance Reporting for the West Midlands Pension Fund (WMPF), Main Fund and Admitted Body Sub Funds be noted.

15

Responsible Investment Activities

Rachael Lem, Responsible Investment Officer presented the report in relation to responsible investment activities since the last Pensions Committee meeting,

highlighting areas of engagement across each of the Fund's four engagement themes and examples of progress and monitoring.

The Committee were advised that an update of its Climate Framework and Strategy would be presented at the meeting in September and that following questions raised at the meeting in March, further information on the Fund's action in support of human rights had been included within the report.

Committee members were also informed that the Fund's annual Stewardship Report had been published and was available on its website, following submission to the Financial Reporting Council for assessment against the 2020 UK Stewardship Code.

Following questions from Malcolm Cantello (Unison) it was agreed that an update would be brought to a future Committee meeting regarding LAPFF engagement with the National Express with in regard to contracted drivers' terms and conditions.

Resolved:

1. The Fund's engagement and voting activity for the three months ending 31 March 2021 be noted.
2. The issues discussed by LAPFF are set out in the Quarterly Engagement Report, which is available on the LAPFF website: [LAPFF_QER1_2021.pdf \(lapffforum.org\)](https://www.lapffforum.org/LAPFF_QER1_2021.pdf) , be noted.
3. The voting and engagement activity of LGPS Central, as set out in the Quarterly Stewardship Report, available on the LGPS Central website: [LGPSC-Stewardship-Update-Q1-2021.pdf \(lgpscentral.co.uk\)](https://www.lgpscentral.co.uk/LGPSC-Stewardship-Update-Q1-2021.pdf) , be noted.
4. The research and engagement activity undertaken by EOS at Federated Hermes as set out in the Quarterly Engagement Report, which is available on the EOS website: [EOS Public Engagement Report \(hermes-investment.com\)](https://www.hermes-investment.com/EOS_Public_Engagement_Report) , be noted.
5. The Fund's 2021 Annual Stewardship Report, available at <https://www.wmpfonline.com/CHttpHandler.ashx?id=17878&p=0> , be noted.

16 **Exclusion of press and public**

Resolved:

That in accordance with Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

17 **Investment Strategy and Activity Update**

Tom Davies, Assistant Director, Investment Strategy presented the report on investment strategy and activity in the WMPF and Admitted Body Sub Funds over the quarter.

The report outlined the current allocations against new benchmarks, including steps ongoing to progress implementation of changes approved within the 2020 Investment Strategy Statement, significant recent investments and future investments under consideration.

Following queries in regard to the Fund's private debt investment programme, the Committee were advised that these investments were illiquid in nature and following commitments, it would take time to drawdown into new investments.

Resolved:

1. That the update on the development and implementation of investment strategies for the main Pension Fund and Admitted Body Sub Funds be noted.
2. That the product developments and planned transitions to the LGPS Central pool be noted.

18 **CEM Benchmarking**

Tom Davies, Assistant Director, Investment Strategy presented the report on the outcomes of the benchmarking exercise undertaken in relation to the delivery of Fund's Investment Management.

The Committee were advised that the Fund participated in the annual benchmarking exercise undertaken by the global third-party organisation, CEM Benchmarking Inc. to identify areas of best practice and identify any further potential opportunities to improve cost effectiveness of investment implementation.

A presentation was provided to the Committee from a Representative of CEM outlining the results of the benchmarking exercise. It was noted that the Fund's investment management costs were significantly lower than the benchmark when compared to the peer group and returns were considered net of costs, demonstrating relative value add.

Resolved:

1. That the results and key outcomes of the benchmarking exercise undertaken to support value for money assessment of the Fund's Investment Management approach for the six years to the 2019/2020 financial year be noted.
2. That the initial comments on investment expenses information collected for the 2020/2021 financial year be noted.

19 **Annual Report on the Investment Advisory Panel**

Tom Davies, Assistant Director, Investment Strategy presented the report on the review of work undertaken by the Investment Advisory Panel (IAP) during 2020 – 2021.

The report outlined the considerations in development of the Fund's investment strategy and implementation, noting areas the IAP continues to monitor.

In response to queries, officers confirmed actions were in progress to continue to develop resourcing plans and partnership with the LGPS Central pool.

Resolved:

1. That the Pensions Committee is asked to note the report of the Investment Advisory Panel for 2020/2021 be noted.

20 **Fund Structure Update**

Rachel Brothwood, Director of Pensions presented the annual report on the Fund's structure development and requirements to support the Fund's service delivery. The report highlighted the recruitment and changes in the Fund's employee base during 2020- 2021, together with future initiatives planned to support delivery of the Fund's Corporate Plan 2021 – 2026, approved by Committee in March 2021.

Following a query in regard to the Fund's Apprenticeship Scheme, the Committee were advised that the all apprentices are supported through a training programme linked to their roles and that following development of a programme specific to pensions administration, the Fund had recruited a number of Pensions Apprentices, alongside graduate trainees.

Resolved:

1. That the pension fund service structure at as June 2021, together with recruitment over 2020/2021 be noted.
2. Recruitment planned over 2021/2022, to develop the capability to meet the needs of the service and noting vacant posts carried forward be noted.
3. That the roles undertaken by the Senior Management Team be noted.

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LGPS Central Pool

Rachel Brothwood, Director of Pensions presented the report updating on the development of the Company, investment products and support services provided to the West Midlands Pensions Fund by LGPS Central Limited.

The report outlined the primary drivers for pooling set out by MHCLG following issues with statutory guidance in 2015, for the Local Government Pension Scheme and noted the meeting of the Joint Committee.

An update from LGPS Central Limited was presented to the Committee by company representatives including the Chair, Joanne Segars and Chief Executive Officer Mike Weston.

Resolved:

1. That the Joint Committee meeting in June 2021 and presentation from LGPS Central Ltd including an update on the products and services provided be noted.

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ENGAGEMENT ROADMAP

WEST MIDLANDS PENSION FUND AND EMPLOYERS

JUNE 2021



West Midlands Pension Fund

Employer training sessions

A comprehensive suite of live [webinar sessions](#) are available to all scheme employers to assist with day to day scheme administration, employers' roles and responsibilities within the Fund and navigation of the Fund's Employer Hub.

[Coaching sessions](#), held at the Fund offices, are also available – details of these events can be found on the Fund website.

Monthly data collection (MDC)

Data requirements: Personal data/Financial data/Member employment details/Joiner data

How to upload your file:

- Use the file checker before starting process
- Via Employer Hub process
- No later than 19th of following month

Please see "[Monthly Data Submissions](#)" for more information on this process.

Actuarial Valuation

Actuarial valuation reviews the funding level (the Fund assets relative to the Fund liabilities – the estimated cost of the benefits members has built up to date) and funding strategy to make sure the Fund has enough money to pay benefits as they fall due.

Contribution setting – the Fund actuary carries out the triennial valuation to certify the contributions required by each employer over the next three years.

Assessing solvency – the actuary is required to set contributions at a level which is expected to ensure the solvency and long-term cost efficiency of the Fund.

For more information, please click "[Valuation of the West Midlands Pension Fund](#)" for more information.

Financial data collection

- Response to accounting standards bulk arrangements,
- Completion of covenant questionnaire
- Reconciliation statements

Termination

Please see the Fund's "[Termination Policy](#)" document for more information regarding the cessation of an employer's participation in the Fund

Application

Admission Body

Please click "[Admission Body](#)" for more information

Academies

Please click "[Academies](#)" for more information

Discretionary policy statement

Under the LGPS scheme regulations employers are required to formulate, publish and keep under review a statement of policy on how they will exercise certain discretions under the new scheme. Five discretions an employer MUST have a policy in relation to:

- 1) Whether to permit flexible retirement
- 2) Whether to waive, upon the voluntary early payment of benefits, any actuarial reduction on compassionate grounds or otherwise.
- 3) Whether to 'switch on' the 85-year rule upon the voluntary early payment of deferred benefits
- 4) Whether to grant extra annual pension
- 5) whether to share the cost of purchasing additional pension

Please click "[Guides and sample documents](#)" for more information

Annual Employer Health Check

The annual exercise provides employers with the opportunity to review and update information such as (but not limited to):

- Active member list/s (ensuring that any leaver documentation is submitted, where required)
- Employer Hub user/s
- Contact details

With a view to improve Annual Benefit Statement (ABS) production, thus increasing compliance with The Pension Regulator (TPR).

Pension Administration Strategy

Sets out roles and responsibilities of employers to the Fund,

Please click "[Pension Administration Strategy](#)" for more information.

Employer Support

The Fund provides excellent customer service to employers throughout every stage of their journey with the Fund. Details of the support offered can be found in [appendix 1](#).

Employers are also expected to engage with the Fund, at the earliest opportunity, where issues are identified that may impact on performance (including the payment of certified contributions) and data quality. If affordability concerns are raised, resulting from the current restrictions, employers can partake in the completion of the Fund's 'employer affordability assessment'- please [contact the Employer Services team](#) for further information.

EMPLOYER ENGAGEMENT ROADMAP

This guide covers:

- Background and Fund structure
- Purpose of the Engagement Roadmap
- Responsibilities of the Fund
- Expectations of the employer by the Fund
- Implications of low levels of engagement on successful partnerships
- How the Fund will monitor and communicate areas of improvement with employers
- Further information
- Contacts for discussion
- Appendices
 - Engagement/support activities undertaken
 - Escalation Procedures
 - *Benefit administration queries*
 - *Late and non-submission of monthly data*
 - *Payment of contributions*
 - *Data queries*
 - *Provision of McCloud data*

BACKGROUND AND FUND STRUCTURE

The West Midlands Pension Fund is one of the largest pension funds in the United Kingdom with over 743 contributing employers. To maintain a high level of customer service, it is essential that the Fund develops strong partnerships with its stakeholders.

The City of Wolverhampton Council is the administering authority for the West Midlands Pension Fund under the Local Government Pension Scheme (LGPS). The LGPS is established by statute and its purpose is to provide death and retirement benefits for all eligible employees. The West Midlands Integrated Transport Authority (WMITA) merged with the Fund with effect from 1st April 2019 and the roles, responsibilities and expectations set out in this document apply equally to the WMITA employers.

The Fund is not a legal body in its own right, and all contracts and assets are held in the name of the City of Wolverhampton Council who became the administering authority under the Local Government Act 1985.

The Fund's participating employers include the seven districts in the West Midlands together with numerous other public sector employers.

A full list of the employers within the Fund is contained within the Fund's **annual report**.

The Fund's Governance Compliance Statement, located on the Fund **website**, confirms the formal committee structure and includes details of employer representation and Fund interaction.

One of the Fund’s key objectives is to provide a customer- focused, quality service delivered cost-effectively, with the aim of securing the future of its members pensions:

- P** PARTNERING FOR SUCCESS
- R** RESPONSIBLE ASSET OWNER, EMPLOYER AND LOCAL COMMUNITY PARTNER
- I** INVESTING TO INCREASE CAPACITY
- D** DELIVERING VALUE ADDED SERVICES
- E** ENGAGE TO IMPROVE OUTCOMES FOR CUSTOMERS

This document has been created to define the methods by which the Fund will support employers in attaining the expected standards and to formalise the ways in which it will support performance and monitor compliance.

Furthermore, the Employer Engagement Roadmap has been designed to compliment both the Pension Administration Strategy and the Customer Engagement Strategy to improve outcomes for all stakeholders of the Fund.

PURPOSE OF THE ENGAGEMENT ROADMAP

The Fund needs to ensure that employers are providing accurate, relevant and timely information to ensure compliance with the Local Government Pension Scheme Regulations 2013, the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations

2013 and other statutory requirements. The purpose of the Engagement Roadmap is to outline the framework the Fund has implemented to enhance the performance of both the Fund and its employers through partnering and support.

The Fund is dedicated to evolving, developing and communicating effectively with its members and employers to drive efficiencies and deliver value-for- money services.

The intentions of the Engagement Roadmap are:

- to ensure the Fund is able provide a high-quality pension service to members and employers in line with the agreed standards outlined in the Pension Administration Strategy (PAS);
- to develop a collaborative partnership with the Fund and scheme employers to improve efficiency, quality and service to Fund members;
- to ensure the performance standards expected from employers are reasonable, monitored and delivered ensuring both the Fund and its employers are able to meet statutory responsibilities whilst ensuring the delivery of good customer service to Fund members;
- to ensure the Fund has an efficient and effective monitoring procedure for ensuring employer performance in line with the PAS;
- to provide feedback and support to help aid improvement and where appropriate levy charges where the Fund identifies a failure to meet the required standards as required by the PAS; and
- to provide transparency and clarity to employers outlining the actions that may be taken where performance standards are not met and/or when persistent non-compliance occurs.

RESPONSIBILITIES OF THE FUND

- The Fund will endeavor to maintain accurate and up-to- date employer contact information through the regular feedback and contact it has with its employers, noting the reliance on employers to inform the Fund of any changes.
- Ongoing support tools provided by the Fund are confirmed in **appendix 1**

EXPECTATIONS OF THE EMPLOYER BY THE FUND

The Fund requests that employers recognise the importance of ensuring the following:

- The Fund is to be kept informed of any personnel/ resource changes to facilitate engagement. Changes to contact details are to be communicated to the Fund in a timely manner to avoid delays in the transfer and exchange of information. Note it is an employers responsibility to create new user accounts in order to gain access to the Employer Hub.
- Engage with the Fund at an early stage where issues are identified that may impact on performance and/or data quality. Changes to the organisational structure which may impact on the Employers ability to perform its statutory functions are to be communicated at the earliest opportunity.
- Embrace the Fund’s provision of support. By actively participating with the Fund, employers can help shape the future service provision and become partners for success. Through effective partnership working the identification of new working practices and solutions will help meet member expectations.
- Keep the Fund updated on significant movement of membership profile. Notification should be given to the Fund in advance where possible of any employer initiatives, policy decisions or practices which impact on member benefits.

IMPLICATIONS OF POOR PERFORMANCE AND LOW LEVELS OF ENGAGEMENT

Where performance issues exist or levels of engagement are deemed to be low, the Fund will work with employers. However, if improvement is not seen there could be the following implications:

- Members may not receive accurate benefit information and/or benefits may not be paid on time.
- Increased complaints from members where information and/or benefits are unable to be provided in a timely manner or are incorrect.
- Payments being made to members in recognition of distress and inconvenience (as and when directed by the Pension Ombudsman) where poor performance impacts on the ability to provide correct information and/or benefits.
- Reputational and potential financial consequences for the Fund and/or its employers where under performance results in a breach report being made to The Pensions Regulator.
- Reduced capacity for the Fund and/or employer to be able to carry out statutory functions.
- Increased administration costs for the Fund, which may be passed to the relevant employer.

HOW WILL THE FUND MONITOR AND COMMUNICATE AREAS OF IMPROVEMENT WITH EMPLOYERS?

Data Management Strategy

The Fund's Data Improvement Plan sets down its responsibilities in relation to record keeping and data quality, providing assurance to members that their data is managed in compliance with the statutory obligations placed upon the Fund.

The plan identifies areas for improvement in the Fund's record keeping based on complex analysis of the information the Fund holds and receives from its employers about its members.

Trustees and Scheme Managers should review their data at least once a year and if there are any issues, put an improvement plan in place to address them. The improvement plan clearly sets out the steps to be taken to improve the data held.

Failure to maintain accurate records can put the Fund and its officers at risk of failing to meet their legal obligations which could result in the Regulator taking enforcement action to remedy and rectify inaccurate data. There is therefore both a legal and reputational risk to holding inaccurate data.

Next Steps

Where the Fund identifies a need for intervention, it will monitor performance and the rate of improvement with regards to data quality and timeliness of employer requirements via the use of employer dashboards initially. The Fund will request to meet with the employer to discuss a way forward.

Where all options have been exhausted with respect to support or where the offer of assistance from the Fund is declined or ignored by the employer, the Fund may use its powers under the LGPS Regulations 2013 which can extend to consideration of a report to TPR.

The following circumstances may result in the Fund taking more formal action against an employer:

- Performance continues to fall below that expected, and no improvement can be measured.
- All reasonable steps have been taken and exhausted by the Fund to improve employer performance.
- The Fund's ability to perform statutory functions and/or measures has been impacted.
- Additional costs are being incurred by the Fund due to employer underperformance.

Appendices 2a-2d of this document provide clarification of the escalation procedures the Fund intends to follow where the performance of an employer falls below the required level, and where one or more of the above situations has or is liable to occur.

FURTHER INFORMATION

This document should be reviewed in conjunction with the following documents which can be found at www.theFundonline.com/corporateinfo

- Pension Administration Strategy (PAS)
- Customer Engagement Strategy
- Customer Engagement Plan
- Communications Policy Statement
- Corporate Plan

TPR Code of Practice 14 (Governance and administration of public service pension schemes) is referred to in this report (note this will be replaced with the singular code of practice, once introduced). A full copy of this can be found [here](#).

For more information on the rules governing the pension scheme, please visit <https://www.lgpsmember.org>

For more information on LGPS Regulations and Guidance, please visit <https://lgpsregs.org/schemeregs/lgpsregs2013/timeline.php>

CONTACTS FOR FURTHER DISCUSSION



For further information, please see contact details set out below:

WMPFemployerliaison2@wolverhampton.gov.uk

0300 111 6516

APPENDIX 1

Engagement/support activities undertaken by the Fund

The Fund will provide support and training to employers in order to support and increase performance levels using the following channels:

Employer Onboarding

Organisations named in the LGPS regulations as scheme employers and automatically participate in the scheme (i.e. academies, further and higher education corporations) and those who satisfy other conditions as confirmed in schedule 2 of the LGPS regulations), the Fund provide support throughout the employer onboarding process.

Support offered (but not limited to) includes;

- Consistent engagement including a dedicated Fund officer regarding the application process
- Website guidance and;
- Accompanying process guidance notes
- Webinars (Fund Induction and LGPS Basics)

Please note, similar assistance is provided with regards to the cessation of an employer's participation in the Fund. Further details can be located in the Fund's **termination policy**.

Website

In addition to the onboarding process, the employer section of the Fund website includes an abundance of information to ensure employers are able to complete their statutory functions, adhering to the Fund's requirements as set out in the Pensions Administration Strategy;

- Access to the Fund's Web Portal/Hub facility
- Support guides and video demonstrations
- Electronic forms
- Technical pensions support and regulatory updates
- Details of upcoming events/virtual sign up

Meetings, webinars, training events

- Employer coaching/webinars
- Bespoke training sessions and workshops
- One-to-one meeting attendance at the Fund's office or employer premises.
- Employer Support for members
- Annual General Meeting/Mid-Year Review

Employer Hub

Those employers that have migrated to the Employer Hub have instant access to information such as;

- Employer Dashboards
- Active member lists
- Bulk data import functionalities (also available via the Web Portal)

Newsletters and email communications

The Fund's quarterly Employer Brief provides information deemed useful to aid employer administration, such as; legislative updates, member and employer events, feedback, Fund's current focus and workloads.

Occasionally, ad-hoc email communications are circulated to participating employers relating to specific or topical information.

Telephone and email support

The dedicated Employer Services Team are on hand to assist with enquiries about the Fund and employer responsibilities. The team offers support to a variety of employer types and can be contacted on the following email address: **wmpfemployerliaison2@wolverhampton.gov.uk**

Alternatively, you can call the Fund's dedicated employer helpline on **0300 111 6516**.

Consultations, surveys and focus groups

- Employer Peer Group
- Employer consultation groups
- Employer surveys

Further information regarding individual events/support can be found in the **Communications Policy Statement**.

APPENDIX 2

ESCALATION PROCEDURES

a) Benefit administration queries escalation procedure

This procedure will be monitored as roll out of new functionality is completed and usage develops.

Refund Timeline	Action	Responsible team/officer at the Fund	Employer contact level
Day 0	<ul style="list-style-type: none"> Query to be raised over the phone with employer. If inconvenient with employer – arrange suitable time to call More complex query – S15 sent to employer 	Transactions and Exits – Pensions Assistant / Pensions Officer	Employer main payroll / Employer contact
Day 10	<ul style="list-style-type: none"> Chaser phone call made to employer 2nd S15 sent if required 	Transactions and Exits – Pensions Assistant / Pensions Officer	Employer main payroll / Employer contact
Day 20	<ul style="list-style-type: none"> In the absence of a reply, assumption/s to be made where possible or process actioned with original information supplied by employer¹ If outstanding query could be a serious detriment to Fund/member, an Operations Team Leader will contact employer to confirm a final response date 	Transactions and Exits – Pensions Assistant / Pensions Officer	HR / Payroll / Pension manager
Day 30	<ul style="list-style-type: none"> In the absence of a reply, Employer Services to confirm a date for response and/or agree a date for a formal meeting 	Employer Support Officer / Relationship Management Officer	Head of Service / Director / Chief Executive

¹ Where assumptions have been made the Fund will advise the member accordingly, should they wish to query the pay information used with the employer. Assumptions can have a financial implication on employers and, if revisions are requested, can also result in a possible charge for benefit recalculations.

Deferment Timeline	Action	Responsible team/officer at the Fund	Employer contact level
Day 0	<ul style="list-style-type: none"> Query to be raised over the phone with employer. If inconvenient with employer – arrange suitable time to call Query to be raised via Employer Webtray If unable to raise query via the Employer Webtray, S15 to be issued to employer 	Transactions and Exits – Pensions Assistant / Pensions Officer	Employer main payroll / Employer contact
Day 10	<ul style="list-style-type: none"> Chaser phone call made to employer Reminder correspondence issued to employer 	Transactions and Exits – Pensions Assistant / Pensions Officer	Employer main payroll / Employer contact
Day 20	<ul style="list-style-type: none"> In the absence of a reply, assumption/s to be made where possible or process actioned with original information supplied by employer¹ If outstanding query could be a serious detriment to Fund/member, an Operations Team Leader will contact employer to confirm a final response date 	Transactions and Exits – Pensions Assistant / Pensions Officer / Operations Team Leader	HR / Payroll / Pension manager
Day 30	<ul style="list-style-type: none"> In the absence of a reply raised via webtrays, a report will be issued to confirm all outstanding queries with the requirement that the queries are answered within 10 working days. Employer Services to confirm a date for response and/or agree a date for a formal meeting 	Operations Team Leader / Employer Support Officer / Relationship Management Officer	Head of Service / Director / Chief Executive

¹ Where assumptions have been made the Fund will advise the member accordingly, should they wish to query the pay information used with the employer. Assumptions can have a financial implication on employers and, if revisions are requested, can also result in a possible charge for benefit recalculations.

b) Late and non-submission of monthly data escalation procedure

Timeline	Action	Responsible team/ officer at the Fund	Employer contact level
Day 1+	Overdue monthly submission email issued ¹	Employer Services / Employer Support Assistant	Employer main payroll / employer contact
Day 10+	Further emails and telephone calls to employer/payroll representative contacts ²	Employer Support Assistant / Officer	Employer main payroll / employer contact
Day 20+	Email/telephone call to principal employer contacts to discuss required support regarding the outstanding queries and agree a file submission date ³	Employer Support Officer / Employer Relationship Officer	HR / Payroll / Pension manager
Day 40+	Email/telephone call to the employer to discuss the outstanding queries and agree a date for a formal meeting ⁴	Employer Relationship Officer / Relationship Management Officer	Head of Service / Director / Chief Executive
Day 70+	Notification to Senior Management Team of outstanding queries ⁵	Relationship Management Officer	N/A
Day 90+	Formal letter issuance in addition to consideration of breach report to TPR and potential charge levied in accordance with the PAS. ⁶	Assistant Director – Pensions / Director	Head of Service / Director / Chief Executive

¹ An email will be sent alerting the employer, and payroll representative (if different), that the relevant monthly submission data file is now overdue and will state that delays may impact of the calculation of any member benefits. The email will provide links to online support tools and set out the implications of non-compliance.

² A second reminder email will be issued to the employer and payroll representative to alert them that the relevant monthly submission data file remains outstanding. In the interim the employer/payroll representative will be contacted by the Employer Services team to discuss the proposed file submission date. A follow-up email to be sent to the employer by the Fund to confirm any agreed actions.

³ Email or telephone contact to be made to senior employer/payroll representative contacts to discuss required support regarding monthly data submission and agree a submission date. The employer will be reminded at this stage of the Fund's statutory duty to issue ABSs to active members by the 31 August- failure to issue could result in the Fund reporting both the Fund and the employer to The Pensions Regulator. in addition to issuing a charge in line with the PAS.

⁴ If continued and repeat non-submission or late submission is recorded, contact to be made, to senior contact/s, by the Employer Relationship Officer/Relationship Management Officer to arrange a formal meeting to discuss the implications of poor employer performance, both in terms of member benefits and possible breach reports being made to The Pensions Regulator.

- ⁵ If continued and repeat non-submission or late submission is recorded, the Fund's Senior Management Team will be notified including details of engagement attempted, support given and issues arising as a result of the employer's poor performance.
- ⁶ Continued non-compliance will result in the issuing of a formal letter by the Fund highlighting the issues experienced in obtaining statutory information from the employer. Details of engagement attempted, support given and issues arising as a result of the employer's poor performance to be included. Expected employer action will be clearly set out within the letter, in addition to confirmation of any charges levied in accordance with PAS and confirmation of TPR report issuance (if completed). A request for a face to face meeting will be made.

c) Payment of contributions escalation procedure

Contributions due by 22nd of the following month

Timeline	Action	Responsible team/ officer at the Fund	Employer contact level
Up to Day 5	Overdue monthly contributions	Finance	Employer main payroll / employer contact
Up to Day 10	Telephone call to be made to employer payroll contact	Finance	Employer main payroll / employer contact
Up to Day 20	Further emails and telephone calls to principal employer contacts ¹	Employer Services	HR / Payroll / Pension manager
Up to Day 40	Email or telephone call to the employer to discuss the outstanding contributions and agree a date for payment or a formal ²	Relationship Management Officer	Head of Service / Director / Chief Executive
Up to Day 90	Formal letter to arrange meeting to discuss implications of non-payment	Assistant Director – Pensions / Director	Head of Service / Director / Chief Executive

¹ If non-payment of contributions has occurred the employer or payroll representative will be contacted by the Employer Services team to find out what the issues are and when we can expect payment. A follow-up email to be sent to the employer by the Fund to confirm the agreed actions.

² If continued non-payment occurs, contact to be made by the Relationship Management Officer to arrange a formal meeting to discuss the implications of non-payment and consideration of a report being made to The Pensions Regulator. The employer will be reminded at this stage of its legal duty to make payment of contributions and the Fund's statutory duty to issue ABSs to active members by the 31 August and, that failure to do so, could result in the Fund reporting both the Fund and the employer to The Pensions Regulator. Also a charge could be issued in line with the PAS

d) Data queries escalation procedure (in respect of monthly data collection)

Timeline	Action/Status	Responsible team/officer at the Fund	Employer contact level
Day 0	Monthly data submission received by the Fund ¹	N/A (Employer)	
By Day 20	Monthly return feedback sent to the employer ²	Business Performance and Data Team	Employer main payroll contact
By Day 40+	No employer response received by the Fund in relation to outstanding data on monthly return feedback ³	Business Performance and Data Team/ Monthly Submission Data Lead	Employer main payroll contact
By Day 50+	Email or telephone call to the employer to discuss any outstanding queries and to agree a date for responses or a formal meeting ⁴	Monthly Submission Data Lead / Employer Relationship Officer	Employer main payroll contact / strategic employer contact
By Day 70+	Email or telephone call to the employer to invite to a formal meeting to discuss outstanding queries and agree an action plan ⁵	Data Manager / Relationship Management Officer	Head of Service / Director / Chief Executive
Day 90+	Formal letter detailing poor performance to be issued requesting specific actions be taken ⁶	Assistant Director – Pensions	Head of Service / Director / Chief Executive

¹ To be received by 19th of each month together with the web remittance advice detailing financials.

² Data queries to be issued by the Fund within 20 working days. For larger employers and districts it is anticipated this may take up to 20 working days to collate however for smaller employers this may be less. A request to be made for query responses to be returned within 14 working days of the original queries being returned (to be extended to no more than 20 working days for larger employers dependent on volume and nature of queries, in which case the timeline would be extended by this amount).

³ Date of first reminder email issued to be dependent on size of employer. First reminder to be issued between 14 and 20 working days from date of original request by the Fund. Size of Employer is defined by the active member count being greater or less than 1,000.

⁴ Monthly Submission Data Lead/Employer Relationship Officer to make contact with the employer to discuss the outstanding requirements, offer additional support and discuss the implications of non-submission of data. Agreed actions to be confirmed by email from the Fund to the employer – email to state that non-compliance will result in the case being referred internally to the Assistant Director (Pensions) to make contact with the employer’s Director/Chief Executive.

⁵ The Assistant Director (Pensions) to make contact with the Employer to discuss the outstanding requirements, and discuss the possibility that non-submission of data may result in the Fund levying a charge or in extreme cases submitting a breach report to The Pensions Regulator. The employer should be reminded at this stage of the Fund’s statutory duty to issue ABSs to active members by the 31 August and that failure to do so could result in the Fund reporting both the Fund and the employer to The Pensions Regulator.

- ⁶ Continued non-compliance will result in the issuing of a formal letter by the Fund, highlighting the issues experienced by the Fund in obtaining statutory information from the employer. Details of engagement attempted, support given and issues arising as a result of the employer's poor performance to be included. The requirements of the Fund will be set out clearly within the letter together with the impact on the employer, the members and the Fund if significant efforts are not taken to improve the situation. A request for a face-to-face meeting will be made and notice given that additional costs may be reclaimed from the employer.

e) Provision of data appropriate to the McCloud ruling

Please refer to the Fund **website** for more detailed guidance for requirements relating to the McCloud judgement.

Timeline	Action/Status	Responsible team/officer at the Fund	Employer contact level
Day 0	31st October 2021- Submission of all data (up to 31st March 2021) received by the Fund 31st May 2022- Submission of all data (for the period 1st April 2021 to 31st March 2021) received by the Fund	N/A (Employer)	
Day 20+	Overdue data submission email issued	WMPF McCloud Project Group	Employer main payroll / employer contact
Day 40+	No employer response received by the Fund in relation to outstanding McCloud data	WMPF McCloud Project Group	Employer main payroll / employer contact
Day 50+	Email or telephone call to the employer to discuss any outstanding queries and to agree a date for responses or a formal meeting	WMPF McCloud Project Group / Employer Support Officer	Employer main payroll contact / strategic employer contact
Day 70+	Email/telephone call to principal employer contacts to discuss outstanding queries and agree an action plan	Employer Relationship Officer	Head of Services / Director / Chief Executive
Day 90+	Formal letter detailing poor performance to be issued requesting specific actions to be taken	Relationship Management Officer / Director of Pensions	Head of Services / Director / Chief Executive

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