

Attendance

Members of the Pensions Board

Employer Representatives

Joe McCormick
Paul Johnson (Vice Chair)
Ian Martin
Mark Smith
Cllr John Reynolds

Member Representatives

Adrian Turner (Chair)
Stan Ruddock
Sharon Campion
Julian Allam
Terry Dingley

Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Simon Taylor	Assistant Director, Pensions – West Midlands Pension Fund
Tom Davies	Assistant Director - Investment Strategy – West Midlands Pension Fund
Rachel Howe	Head of Governance and Corporate Services - West Midlands Pension Fund
Amy Regler	Head of Operations – West Midlands Pension Fund
Lauren Pote	Governance Support Officer – West Midlands Pension Fund
Darshan Singh	Head of Finance – West Midlands Pension Fund
Hayley Reid	Regulatory Governance Manager – West Midlands Pension Fund
Fabrica Hastings	Democratic Services Officer – City of Wolverhampton Council
Jacob Stokes	Democratic Services Assistant – City of Wolverhampton Council
Jennifer Pearce	Senior Auditor – City of Wolverhampton Council

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Election of Chair**
Rachel Brothwood, Director of Pensions, welcomed Board members to the first meeting of the municipal year and requested nominations for the election of the Chair of the Pensions Board, for the remainder of the municipal year. Sharon Campion, proposed Adrian Turner, Member Representative to be elected as Chair, which was

seconded by Stan Ruddock, Member Representative. This is in line with the Fund's representation policy of alternate representatives retaining the position as chair.

The Board welcomed Joe McCormick back to the Board as Member Representative following the recruitment process and thanked him for his service as the Pensions Board Chair from 2019-21, particularly for his support and commitment during the Covid-19 pandemic.

Resolved:

1. That it be agreed that Adrian Turner, Member Representative be elected as Chair of the Pensions Board for the remainder of the municipal year 2021-22.

2 **Election of Vice Chair**

Adrian Turner, Chair of the Pensions Board requested nominations from members of the Board for the election of Vice-Chair for the remainder of the municipal year.

As the position of Chair is now held by a member representative, it was acknowledged that in accordance with the Terms of Reference an employer representative was preferred for the role of Vice-Chair.

Paul Johnson, Employer Representative nominated himself as Vice Chair of the Pensions Board, which was seconded by Joe McCormick, Employer Representative.

Resolved:

1. That it be agreed that Paul Johnson, Employer Representative be elected as Vice Chair of the Pensions Board.

3 **Apologies for Absence**

Apologies were received from Councillor Rupinderjit Kaur.

4 **Declaration of Interests**

There were no declarations of interest made.

5 **Minutes Approval**

That the minutes of the previous meeting be approved as a correct record.

6 **Matters Arising**

There were no matters arising.

7 **Local Pensions Board Annual Governance Report**

Rachel Howe, Head of Governance and Corporate Services, presented the report on the Annual Governance matters of Local Pensions Board in line with the good governance requirements of the Pensions Regulator (tPR) and the Scheme Advisory Board (SAB).

The report outlined the changes to the Board's membership for the 2021-22 municipal year, in accordance with the Local Pension Board Appointments Policy, the proposed amendments to the terms of reference which had been made to reflect recommended changes to statutory guidance from the SAB and TPR and the Local Pension Board Work Plan for the 2021-22 municipal year.

Resolved:

1. That the revised Terms of Reference for the Local Pensions Board be approved.
2. That the appointment of employer representative and observer identified by the Appointment Panel be approved.
3. That the nominations from the GMB Trade Union for the vacant member representative seat be approved.
4. That the Local Pension Board work-plan for the 2021-2022 municipal year be approved.
5. That the Local Pension Board Appointments policy be approved.
6. That the appointments from the City of Wolverhampton Council to the elected member seats be noted. The following dates and time of the meetings of the Local Pension Board confirmed as (14:00):
 - i. 20 July 2021
 - ii. 19 October 2021
 - iii. 25 January 2022
 - iv. 26 April 2022
7. That the Governing Body Member Training Policy developed for members of the Fund's Governing Bodies which was approved by the Pensions Committee on 23 June 2021 be noted.
8. That the publication of the national Scheme Advisory Board (SAB)'s annual report be noted.

8 **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.

The Board were advised that 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 Board acknowledged the Fund's continued development of its risk management practices including risk reporting. 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.

Resolved:

1. That the latest strategic risk-register and areas being closely monitored in the current environment be noted.
2. That the compliance monitoring activity undertaken during the quarter be noted.
3. That the Fund's Key Performance Indicators and action taken to support service delivery be noted.
4. That the updates on potential regulatory changes and statutory guidance emerging from the LGPS and wider pensions industry be noted.
5. That the Governance and Compliance Statement, approved by the Pensions Committee 23 June 2021 be noted.
6. That the Fund's Representation Policy, approved by the Pensions Committee 23 June 2021 be noted.

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

Rachel Howe, Head of Governance and Corporate Services, presented the report on the outcome of the work programme for internal audit for 2020 – 2021.

The Board were advised that no significant issues had arisen throughout the year and that recommendations to address areas for improvement 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.

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.

10 **Customer Engagement Update**

Simon Taylor, Assistant Director, Pensions, presented 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 Board were advised that the draft Pension Administration Strategy and the Employer Roadmap were under consultation with employers and would be approved by the Chair and Vice Chair of the Pensions Committee along with the Director of Pensions following the close of the consultation.

The Board were further advised that the Funding Strategy Statement was now available on the Fund's website.

The Fund continued to provide members with on-demand support and guidance through digital channels, that were well attended and received positive feedback.

Resolved:

1. That the engagement activity and informed service development be noted.
2. That the publication of the Funding Strategy Statement effective 1 June 2021 be noted.
3. That the draft Pensions Administration Strategy and Employer Engagement Roadmap for 2021 be noted.

11 **Pensions Administration Report to 31 December 2020**

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

The quarterly report detailed the roll-out of the Employer Hub facility and illustrated an improvement against the previous year within the Workload Analysis for 2017-2021.

It was noted that the Fund's overall membership growth resulted in a natural workload increase. The Fund would continue to monitor volumes of incoming work, adapt working practices and reallocate services where required.

The Board were advised that the Fund had seen an increase in some pensions processes during the period which had impacted KPI's. Two indicators relating to the production of retirement quotations for active and deferred members had contributed to the Fund falling slightly short of the 90% target for the year, but that the overall KPI performance had remained strong despite the challenges faced during 2020-2021.

In response to a query from Stan Ruddock , Member Representative, regarding the increase in death notifications received to the Fund, the Head of Operations advised that the increase in death notifications related to all causes, including Covid-19.

Resolved:

1. That the performance and workloads of the key pension administration functions be noted.
2. That the development of the Fund's membership and participating employers be noted.
3. The ongoing work to improve efficiency and ensure consistency of processing and record keeping be noted.
4. That the Administering Authority Policy Statement 2021, confirming the discretions policy for the Fund, approved by Committee, 23 June 2021 be noted.

12

Statement of Accounts 2020-2021

Darshan Singh, Head of Finance, presented the report on the preparation, approval and audit of the Statement of Accounts and the Annual Report for the year ending 31 March 2021.

It was 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.

The Board were advised that the deadline for completion of the audit was the end of September 2021, with a deadline for publication of the Fund Annual Report of 1 December 2021.

Following a question from Stan Ruddock, Member Representative, regarding credit ratings based on the value of the Fund's assets, the Assistant Director, Investment Strategy, advised that the Fund conducted quarterly stress testing of the Fund's assets to monitor and assess the impact of potential market shocks on the investment portfolio.

Resolved:

1. That the West Midlands Pension Fund Draft Statement of Accounts for the year ending 31 March 2021, prepared and certified by the Section 151 Officer as required by regulations be noted.
2. That the draft Statement of Accounts (and the Annual Report), subject to audit by the Fund's external auditors, Grant Thornton, with the final versions, including their audit opinion, to be reported to Pensions Committee in September 2021 and Local Pensions Board in October 2021 be noted.
3. That the Accounts and Audit (amendment) Regulations 2021 (SI no 2021/263), extending the statutory accounting deadlines for completion of the draft and final Statement of Accounts for 2020/21 and 2021/22 be noted.

13

Investment Governance

Tom Davies, Assistant Director, Investment Strategy, presented the report on investment related matters, including the publication of the Fund's Annual Stewardship Report and an update on responsible investment activities, together with the ongoing development of LGPS Central Investment Pool.

The report provided an overview of the Fund's approach as part of its overall investment management arrangements and active responsible investment framework.

The Board were advised that the Fund were pleased with the outcomes following the submission of its first Annual Stewardship Report in April 2021, that demonstrated active stewardship within the Fund's operations and investment chain towards building sustainable futures for all.

The Board were advised that the Joint Committee for LGPS Central took place on the 18 June 2021 and was attended by the Chair of the Pensions Committee, Malcom Cantello – Trade Union Representative and the Director of Pensions. A link was provided within the background papers of the report for further details.

Resolved:

1. That the update on investment governance matters including those in relation to responsible investment and investment pooling be noted.
2. That the publication of the Fund's Annual Stewardship Report be noted.