

CITY OF
WOLVERHAMPTON
COUNCIL

Pensions Board

20 July 2021

Time	2.00 pm	Public Meeting?	YES	Type of meeting	Pensions
Venue	Online Meeting				

Membership

Employer Representatives

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

Member Representatives

Sharon Campion (Unison)
Terry Dingley (GMB)
Julian Allam (Unite)
Adrian Turner (Unison) (Vice Chair)
Stan Ruddock (Unite)
Cllr Rupinderjit Kaur

Quorum for this meeting is four (minimum of two member and two employer representatives and include either the Chair or the Vice Chair)

Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

<i>Item No.</i>	<i>Title</i>
1	Election of Chair
2	Election of Vice Chair
3	Apologies for Absence
4	Declaration of Interests
5	Minutes Approval (Pages 3 - 8) [For approval.]
6	Matters Arising
7	Local Pensions Board Annual Governance Report (Pages 9 - 30) [To approve 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).]
8	Governance and Assurance (Pages 31 - 58) [To receive an update on the work of the Fund to deliver a well governed scheme.]
9	Internal Audit Annual Report 2020-2021 (Pages 59 - 70) [To receive the outcome of the work programme for internal audit for 2020 – 2021].
10	Customer Engagement Update (Pages 71 - 140) [To receive an update on the Fund's customer engagement activity from 1 January 2021 – 31 March 2021.]
11	Pensions Administration Report to 31 December 2020 (Pages 141 - 174) [To receive an update on the routine operational work undertaken by the pensions administration service areas during the period 31 December 2020.]
12	Statement of Accounts 2020-2021 (Pages 175 - 200) [To approve the draft statement of accounts for the year ending 31 March 2021.]
13	Investment Governance (Pages 201 - 206) [To receive an update on investment related matters.]

Attendance

Members of the Pensions Board

Employer Representatives

Joe McCormick (Chair)
Paul Johnson
Ian Martin
Mark Smith
Cllr Jasbir Jaspal

Member Representatives

Adrian Turner (Vice Chair)
Sharon Champion
Stan Ruddock

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
Lauren Pote	Governance Support Officer – West Midlands Pension Fund
Hayley Reid	Regulatory Governance Manager – West Midlands Pension Fund
Amy Regler	Head of Operations – West Midlands Pension Fund
Darshan Singh	Head of Finance – West Midlands Pension Fund
Amanda McDonald	Audit Business Partner – City of Wolverhampton Council
Fabrica Hastings	Democratic Services Officer – City of Wolverhampton Council
Donna Cope	Democratic Services Officer – City of Wolverhampton Council

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies for absence**

Apologies were received from Jacqueline Carman, Employer Representative.

2 **Declarations of Interest**

There were no declarations of interest made.

3 **Minutes of the Previous Meeting**

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

4 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

5 **Customer Engagement Update**

Simon Taylor, Assistant Director - Pensions, presented the report on the Fund's customer engagement activity from 1 October 2020 to 31 December 2020, and to cover future customer engagement activity in the context of the Fund's Customer Engagement Strategy.

The Board were advised that customer engagement activity across the Fund had continued to follow alternative delivery methods that reflected the current environment. Over the period, 38 virtual webinars had taken place with 732 attendees. The webinar sessions were followed up with 96 telephone consultations to members that had replaced the traditional face-to-face engagement.

There was an overall increase in employer engagement activity, noting that employer peer group and webinar events were well attended and had peaked, following the regulatory changes during this period. Briefing sessions would be delivered to Academy Bursar Groups, across the region.

Following a question raised, in regard to McCloud and frequently asked questions the Assistant Director – Pensions advised that he had been in communication with Paul Johnson, Employer Representative, regarding the development of case studies within communications to aid understanding of the remedy and how it will impact member benefits.

Resolved:

1. That the Fund's engagement activity and informed service development be noted.

6 **Pensions Administration Report from 1 October - 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 October - 31 December 2020.

The Board were advised that the Fund had seen a return to normal levels of incoming work for the report period however, due to a high volume of deaths and retirement case work, the subsequent KPI had not been achieved for those months. Reassurance was given that the Fund had been monitoring workloads and continue to ensure that resources were re-allocated, where required to maintain service delivery and mitigate the impact on timescales and performance relative to KPI targets. The Head of Operations was pleased to inform the Board that KPI's had improved and were achieved from December 2020 through to this financial year end.

Mark Smith, Employer Representative, commented that the introduction of self-service deferred retirement quotations was helpful and further roll-out to include active members would be welcome in the future.

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. That the ongoing work to improve efficiency and ensure of processing and record keeping.
4. That the Fund's pledge to the Pensions regulator to combat pensions scams and protect scheme members be noted.
5. That the updated Internal Dispute Resolution Procedure be noted.

7

Regulatory Update

Rachel Brothwood, Director of Pensions presented the report on the key developments impacting the regulatory environment in which the Fund operates.

The Board were advised that the Fund was not aware of any members whose benefits had been affected by the enactment and subsequent revocation of the Exit Pay Regulations.

The Director of Pensions talked through the regulatory changes outlined in the report and confirmed that the Fund had signed up to the Pension Regulators Pledge, to take action against pensions scams.

Resolved:

1. That the updates to the current regulatory environment within the LGPS and how the Fund are responding to change and emerging development within the Scheme and wider pensions industry 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 Julian Allam, had been appointed to the vacant Unite Member Representative seat, on the Pension Board and would be in attendance at the next Pensions Board meeting. Ongoing engagement with Trade Unions would continue for member representatives, into the new municipal year.

For balance of the appointment panels, it was approved by members that this year's annual cycle of Employer Representative nominations would be supported by Adrian Turner, Member Representative and Mark Smith, Employer Representative.

As part of the Fund's risk management, the main risks highlighted were the impact of several statutory and regulatory changes and covid-19, including office management arrangements which currently operates on a business case approval process and employee wellbeing while working from home.

The Fund had removed the Exit Pay Regulations from their Strategic Risk Register, but processes would continue to be monitored as part of ongoing scheme change.

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 the action taken to support service delivery be noted.
4. That the steps taken by the Fund in response to the Covid-19 pandemic and the ongoing assessments of service delivery impact be noted.
5. That the appointment of Julian Allam to the vacant Unite member representative seat be approved.
6. That the establishment of an Appointments Panel to receive nominations for the year 2021 -2022 be approved.
7. That it be agreed that this year's annual cycle of employer representative nominations would be supported by Adrian Turner, Member Representative and Mark Smith, Employer Representative, be approved by Board members.

9

Internal Audit Plan 2021-2022

Amanda McDonald, Audit Business Partner, presented the report on the internal auditing during 2021-2022 as part of the overall framework of assurance of the Fund.

The Board were advised that the internal audit review for 2021-2022, had considered any current issues including covid-19, the Fund's objectives and any risks identified. The Fund's agreed objectives, priorities and management requests would also be taken into consideration.

The Board were advised the internal audit plan outlined any follow up internal auditing work, that would involve a review of the implementation of recommendations identified from the audit work undertaken over 2020-2021. The Internal Audit Plan would be analysed and amended throughout the year, based on service priority changes, and demands. The Internal Audit Plan had suggested possible individual audits to be completed, that would include areas of governance, operations and finance.

Resolved:

1. That the Internal Audit Plan for 2021 - 2022 be noted.

10

External Audit Plan 2021

Darshan Singh, Head of Finance, presented the report on the External Audit of the Fund's Annual Report and Accounts for 2020 – 2021.

The Board were advised that following the announcement from Government, regarding the revised statutory deadlines outlined for completing local authority accounts, Grant Thornton had prepared the Fund's external audit plan and audit risk assessment. The Board were advised that drafting of the accounts would be completed by the 1 August 2021, finalisation of the accounts to be completed by the 30 September 2021. Also, that the External Audit would commence June - August, to present to the Pensions Committee in September 2021.

The Board were advised that interim visits were conducted in March – April 2021. The Fund's finance team were preparing accounts in line with the City of Wolverhampton Councils ambitions, to publish the accounts to the website in June 2021.

Following a question from Paul Johnson, Employer Representative, Darshan Singh explained that he was liaising with relevant authorities regarding audit fees and

advised the Board that no final figure had been confirmed. It was agreed that feedback regarding audit fees would be presented to members as appropriate.

Resolved:

1. That the external audit plan for 2020 – 2021 Annual Report and Accounts as prepared by Grant Thornton be noted.

11

Corporate Plan 2021-2026

Rachel Howe, Head of Governance and Corporate Services, presented the report on the proposed Fund Corporate Plan 2021 – 2026 that included the areas of focus and drivers for change over the next five years together with the goals and ambitions for continued development in the Fund to deliver a high-quality service to customers.

The Board were advised that consultation on the proposed Corporate Plan for 2021 – 2026 had taken place with stakeholders including members, employers, Pensions Committee and the Local Pensions Board. Some figures for the Corporate Plan were not included within the report, the Board were advised that this would be updated prior to publication.

Resolved:

1. That the Fund's Corporate Plan 2021 – 2026 which was approved by the Pensions Committee on the 24 March 2021 be noted.

12

Cyber Security

Amy Regler, Head of Operations, presented the report on the Fund's Cyber Security Strategy and the work undertaken by the Fund to further develop its Cyber Security Framework.

The Board were advised that the City of Wolverhampton Council provided the services and supported the Fund under a robust Cyber Security Framework. The Fund had reviewed its current framework, aiming to enhance assurance by actively monitoring the risks presented to the organisation to protect the Fund's assets and data.

The Board were advised that the Fund had developed its own strategy to identify and quantify the risks present to the Fund's Cyber Security, to allow the Fund to respond appropriately and enable efficient recovery, under a threefold approach.

Resolved:

1. That the work undertaken by the Fund to further develop its Cyber Security Framework 2020 – 2021 be noted.

13

Funding Strategy Statement Review 2021

Simon Taylor, Assistant Director - Pensions, presented the report on the proposed changes to the Funding Strategy Statement (FSS) following the publication of amendments to LGPS Regulation which enable employer funding flexibility.

The Board were advised that the regulatory changes made to employer flexibilities allowed them to request a review and provided the opportunity to spread their exit debt. The two options that would be available would be Debt Spreading Arrangements, that would create an agreement between the Fund and the Employer, to spread the final exit payment over an agreed timeframe. The second option would be the Deferred Debt Arrangement, that would allow the employer to defer its

obligation, to make an exit payment and continue to make past service deficit contributions to the Fund.

The webinars to discuss the consultation and proposed changes to the FSS with the Fund's employer base were scheduled over the next few weeks, with consultation running until 21 May 2021.

Following questions from Sharon Campion (Unison), Member Representative, and Stan Ruddock (Unite), Member Representative, the Assistant Director, Pensions, advised that the Fund had identified no direct impact on individual employees who wished to retire before statutory retirement age, with any debt payment profile established based on the individual circumstances of the employer and their overall liability profile.

Resolved:

1. That the proposed changes to the Funding Strategy Statement, incorporating revised Termination Policy and Policy on Contribution Reviews Inter-Valuation as new addendums following enabling change to the LGPS regulations be noted.

14

Investment Governance

Tom Davies, Assistant Director - Investment Strategy, presented the report on investment related matters that included changes to the Fund's investment strategy and responsible investment activities, together with the ongoing development of the LGPS Central Investment Pool.

Board members were asked to note the Fund's Investment Strategy Statement review, Responsible Investment Framework and routine updates on investment governance, particularly in relation to guidance and regulation around climate change and diversity and inclusion.

Resolved:

1. That the annual review of the WMPF's Investment Strategy (ISS), with only minor changes (Appendix A) be noted.
2. That the Funds Responsible Investment Framework March 2021 (Appendix B) be noted.
3. That the update on investment governance matters including those in relation to responsible investment and investment pooling be noted.

CITY OF WOLVERHAMPTON COUNCIL	Pensions Board 20 July 2021
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Report title	Annual Governance Report		
Originating service	Pension Services		
Accountable employee	Rachel Howe Tel Email	Head of Governance and Corporate Services 01902 55 2091 Rachel.Howe@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 55 1715 Rachel.Brothwood@wolverhampton.gov.uk	

Recommendations for action or decision:

The Pensions Board is recommended to approve:

1. The revised Terms of Reference for the Local Pensions Board.
2. The appointment of employer representative and observer identified by the Appointment Panel.
3. The nominations from the GMB Trade Union for the vacant member representative seat
4. The Local Pension Board work-plan for the 2021-2022 municipal year.
5. The Local Pension Board Appointments policy

Recommendations for noting:

The Pensions Board is asked to note.

1. The appointments from the City of Wolverhampton Council to the elected member seats.
The following dates and time of the meetings of the Local Pension Board (14:00):
 - i. 20 July 2021
 - ii. 19 October 2021
 - iii. 25 January 2022
 - iv. 26 April 2022
2. 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.
3. The publication of the national Scheme Advisory Board (SAB)'s annual report.

1.0 Purpose

- 1.1 To seek approval for 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).

2.0 Background

- 2.1 The Local Pensions Board is a statutory Board created by the Public Services Pensions Act 2013 and governed by the Pensions Regulator's (tPR) Code of Practice 14.
- 2.2 The Local Pensions Board is required by statute to publish information about its membership and responsibilities within its LGPS Fund through adopting and publishing a terms of reference.

3.0 Local Pensions Board Terms of Reference

- 3.1 In accordance with best practice, the Board's terms of reference have been reviewed to ensure they remain effective, and compliant with the changing regulatory environment in which the Fund operates. Noting the potential changes which may bear out from national review (such as the introduction of tPR's Singular Code of Practice, SAB's Good Governance Review and forthcoming changes to the CIPFA knowledge and skills requirements), the Terms of Reference have been developed to reflect emerging requirements and best practice standards, however, it is noted that these elements are still under consultation and may require further changes once formally effected (with statutory guidance) later in the year.
- 3.2 The draft revised Terms of Reference are presented in appendix A for the Board's approval, with main areas of change in blue text. Once approved, these will be published on the Fund's website.

4.0 Local Pension Board Appointments 2021-2022

- 4.1 At the meeting on 27 April 2021 the Board agreed, in accordance with the Terms of Reference to form an appointments panel to consider applicants for the employer representative seat due for nomination. Employer applications were submitted to the appointments panel who, following interviews with candidates, unanimously agreed to recommend the reappointment of Joe McCormick, Business Manager Rookery School, as an academy employer representative on the Board.
- 4.2 The appointments panel also recommended that a second academy employer representative, nominated for the role by the E-ACT Multi-academy trust, be offered observer status and invited to training events, recognising the strength of application, potential for future turnover within the employer representatives on the Board and growing number of academies within the Fund's employer base.

- 4.3 The Board have received one nomination for the vacant member representative seat; for Terry Dingley from the GMB Trade Union. In line with the appointments process, a panel has not been called to approve the nomination as the process has been undertaken by the relevant trade union. The Board are asked to accept and approve the nomination.
- 4.4 The Board are also asked to note the following appointments from the City of Wolverhampton Council to the following elected member seats:
- Councillor John Reynolds – Employer Representative
 - Councillor Rupinderjit Kaur – Member Representative

5.0 Dates and times of meetings for 2021-2022

- 5.1 The Board are asked to note the following dates and times of meetings for the remainder of the current Municipal Year:

Pensions Board – 2pm

20 July 2021
19 October 2021
25 January 2022
25 April 2022

- 5.2 The Local Pensions Board meets four times a year, with meetings held normally within one month of the quarterly Pensions Committee meeting, when outcomes from the Committee, together with any matters the Committee would like the Board to specifically consider, are raised. Any points raised by the Board for consideration by the Pensions Committee will be reported to the Committee for consideration no later than the next scheduled Committee meeting. In addition, joint training sessions will be held with the Pensions Committee throughout the year, providing the opportunity for engagement on Fund issues between Pensions Board and Committee members.

6.0 Local Pension Board Work-Plan

- 6.1 Statutory guidance from the SAB on the role of local pension boards includes a requirement for local boards to publish information about their work. A copy of the Board's annual work-plan for 2021-2022, is included at appendix B for approval.

7.0 Appointments Policy

- 7.1 In accordance with best practice the Board's appointments policy has been reviewed to ensure that it remains effective and reflects current procedure. Minor changes have been made to reflect current process, the draft appointments policy is presented in appendix C for the Board's approval, with main areas of change in blue text. Once approved, the appointments policy will be published on the Fund's website.

8.0 Governing Body Training Policy

- 8.1 The West Midlands Pension Fund believes a well governed scheme is led from the top, by its Governing Bodies and decision makers. To support the members of those bodies in their roles, equipping them with the knowledge and understanding of relevant issues the Fund has established a formal training policy which details the minimum requirements expected of Governing Body members to support and enable policy decision and oversight of implementation, where delegated.
- 8.2 The Pensions Regulator (tPR) have released a draft singular code of practice which include knowledge and skills expectations for members of Local Pensions Board. In addition, members are advised to note that the Chartered Institute of Public Finance and Accountancy (CIPFA) published their reviewed Knowledge and Skills Framework, the Fund is in the process of reviewing the new framework and will use it to shape training from the autumn.
- 8.3 Recognising the importance of training in the developing landscape of the Scheme, the Fund have included details on the training requirements of the Governing Bodies within its Governance Compliance Statement. The Fund reviews its training policy on an annual basis to ensure it remains compliant with best practice and delivers a comprehensive suite of opportunities for the Local Pensions Board (and Pensions Committee) to develop knowledge and understanding. Outlined in the Scheme Advisory Board's Good Governance Review is also a recommendation for Funds to report Senior Officer training, this will be built into the Fund's annual reporting as this requirement becomes effective during the year.

9.0 Scheme Advisory Board Annual Report

- 9.1 In line with its Regulatory duty, the national Scheme Advisory Board (SAB) has, every year since 2013, produced its Scheme Annual Report highlighting national averages in areas such as investment returns, asset allocation, funding and governance.
- 9.2 The SAB produces its report based on published annual report and accounts of the LGPS Funds across England and Wales. It is therefore produced retrospectively each year. This latest report highlights the aggregated position from the 2020 reports and provides a useful point of reference for a variety of stakeholders.
- 9.3 The LGPS Highlights for 2020 as noted by SAB include;
- The total membership of the LGPS grew by 261,000 (4.2%) to 6.16m members in 2020 from 5.89m in 2019
 - The total number of LGPS employers in 2020 was over 16,307 as compared with 15,597 for 2019 (an increase of 4.6%)
 - The total assets of the LGPS decreased to £276bn (change of -4.9%) during 2020
 - The net investment return on these assets (after fees) as at 31 March 2020 was -4.8% compared with +6.2% in 2019. The 2020 figure reflecting less stable financial market conditions than in 2018/2019

- The scheme held a positive cash-flow position in 2020
- The most recent Scheme funding level, aggregated across local valuations, was 98% (2019 valuation)

9.4 In comparison, the Fund's highlights for the year to 31 March 2020 show;

- The total membership grew from 323,795 to 333,934 (3.1%)
- Employers increased from 673 to 704 (4.6%)
- The Fund's total assets decreased from £15.7 billion to £15.3 billion (-2.6%), reflecting less stable financial market conditions, largely due to the impact of Covid-19 in March 2020
- The Fund's local funding level was 94% (2019 valuation)

9.5 Throughout the year, the Scheme Advisory Board has issued a number of communications reporting on the outcomes of their meetings and delivery of their own workplan all of which have been presented to the Local Pension Board and Committee in update reports at formal meetings, through training events or communication round-up's.

10.0 Financial implications

- 10.1 The cost of the Local Pensions Board is contained within the Fund's Governance budget approved by the Committee at its March meeting.
- 10.2 A failure to comply with statutory requirements and/or guidance could result in a fine imposed by the Pensions Regulator.

11.0 Legal implications

- 11.1 The requirement for a Local Pensions Board is set out in the Public Service Pensions Act 2013. It is a statutory body with statutory responsibilities. Failure by an LGPS Fund to comply with the statutory requirements could result in a fine or legal notice being imposed.

12.0 Equalities implications

- 12.1 The Board's terms of reference, role profile and job description have all been drafted in consideration of the Equality duty. There are no implications.

13.0 All other implications

- 13.1 There are no other implications.

14.0 Schedule of background papers

- 14.1 Public Service Pensions Act 2013
<http://www.legislation.gov.uk/ukpga/2013/25/contents>

- 14.2 Scheme Advisory Board Statutory Guidance for Local Pensions Board

https://lgpsboard.org/images/Guidance/LGPS_Board_Guidance_FINAL_PUBLISHEDv1_%201clean.pdf

14.3 Governing Body's Training Policy

<https://wolverhamptonintranet.moderngov.co.uk/documents/s177477/Appendix%20B%20-%20Governing%20Bodies%20Training%20Policy.pdf>

15.0 Schedule of appendices

15.1 Appendix A: Local Pensions Board Terms of Reference

15.2 Appendix B: Local Pension Board Workplan

15.3 Appendix C: Local Pension Board Appointments Policy

Local Pensions Board Terms of Reference

1. This document sets out the terms of reference of the Local Pension Board of the City of Wolverhampton Council (the 'Administering Authority'), a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
2. The Board is established by the Administering Authority and operates independently of the Committee. Relevant information about its creation and operation are contained in these Terms of Reference.
3. The purpose of the Board is to assist the Administering Authority within the good governance of the scheme, as follows:
 - secure compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme and;
 - to ensure the effective and efficient governance and administration of the Scheme.
4. All persons appointed to the Board will adhere to the Fund's [Local Pensions Board](#) Code of Conduct and the seven principles of public life (known as the Nolan Principles), including the duty to report conflicts and undertake training as required to ensure they meet the legislative requirement to have the knowledge and understanding required of them to undertake their role.
5. While not a formal committee of the Council, meetings of the Pensions Board will be formal occasions to be minuted adhering to the due process and rules of procedure so far as such do not make the business of the Board unviable. Business to be conducted by the Pensions Board shall be noted on a formal Agenda at least five working days in advance of the meeting. Additional business may be added to the Agenda at a later date with the consent of the Chair. Business not noted on the Agenda may only be considered at the meeting if agreed by majority vote. This is to ensure all information is available and has been read and understood by Pensions Board members.

6. The Pensions Board shall meet a minimum of four times a year on a quarterly basis. The ability to call additional meetings rests with the Board and with Pensions Committee, such additional meetings to meet the minimum quorum requirement.
7. Persons appointed to the Pensions Board have the same right of access to information and documents to be considered as elected members as outlined in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 and The Openness of Local Government Bodies Regulations 2014. Save as all other provisions of these regulations do not apply to the Pensions Board.
8. The Pensions Board shall adhere to the operational policies of the Fund.

Membership

9. The Pensions Board consists of 12 persons made up of six employer and six member representatives in equal proportion two of which will be Elected Members of the Administering Authority. Substitutes shall not be appointed. [Further, details with regards to membership can be found in the Fund's Representation Policy which is available on its website.](#)
10. Representatives (both employer and member) should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.
11. Recruitment to the board will follow the Fund's '[Pensions Board nomination Appointments Policy](#)'.
12. The quorum is ~~two~~, [at least](#) one member from each category. If the Chair and the Vice Chair are not present a Chair will be nominated by majority from those in attendance.
13. The term of office for a person appointed to the Pensions Board shall be for a period no shorter than one year and no longer than two rotations of nominations for their term of office (where the person is an elected Councillor, whichever is the shortest). Nomination to the Pensions Board shall take annual rotation with one third nominations received in year 2 and one third nominations received in year 3, and so on. This is to ensure a consistency of knowledge within the Pensions Board and to assist with the development of knowledge and experience. Where vacancies occur in year the nomination process will follow and there will not be an annual nomination for that seat in the same year.
14. Nominations to the Pensions Board will be sought from the nominating body group on each occasion as the rotation for appointment arises. Trade Union

member representatives will be nominated by the relevant Trade Union. Where more than one nomination is received for employer representatives from the Fund employer base, interviews for the vacant position will be held by the Chair and Vice Chair (where they are not on rotation), together with the Director of Pensions (or their nominated officer) and the Head of Governance and Corporate Services.

15. Person's appointed to the Pensions Board are expected to make themselves available to attend meetings and to complete relevant training. Person's appointed who fail to meet their training target and/or attend less than two meetings and one structured training event each year will be asked to leave the Board and a replacement sought from their nominating body unless there are exceptional reasons for their failure to attend. Such reasons to be considered by the Pensions Board.
16. Other than by ceasing to be eligible to sit on the Pensions Board (to include failure to attend meetings), a person appointed to the pensions board may only be removed from the position during their term of office by majority vote of the Pensions Board.
17. A person appointed to the Pensions Board may retire their position at any time. In such cases a nomination will be sought from their nominating body.

Chairing the Board

18. It shall be the first business of the Board's ~~at its~~ annual meeting (~~July~~) to nominate the position of Chair and Vice-Chair ~~for that year, nominations for the Chair and Vice-Chair will rotate between member and employer representatives on an annual basis with both the employer and member representatives considered with one position being allocated to each represented group.~~
19. In the event of a tie of votes of any business to be conducted, the Chair will have the casting vote. In circumstances where the vote is to appoint a new Chair, the outgoing Chair will have the casting vote in the event of a tie.

Conflicts of interest

20. All members of the Board must declare to the Administering Authority on appointment and at any such time as their circumstances change, any real, potential or perceived conflict of interest which may impact their position on the Board.

21. A conflict of interest and the policy for identification and management is defined in the Fund's Local Pensions Board Conflicts of Interest Policy. , which is available on their website.

22. On appointment to the Board and following any subsequent declaration of a potential conflict by a Board member, the Fund shall ensure that any potential conflict is effectively managed in line with both the internal procedures of the Board's conflicts policy and the requirements of the [Code of Conduct](#).

Voting Rights

23. Each member representative and employer representative will have one vote. Where there is the same number of votes the Chair shall have the casting vote.

Knowledge and understanding (including Training)

24. Individual Pension Board members must ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

25. To ensure that knowledge and understanding requirements are met the Fund has established a [Governing Body Member Pensions Committee & Board Member](#) Training Policy that will be reviewed and approved on an annual basis. Board members should attend and participate in training arranged in order to meet and maintain the requirements set out in the policy.

Information

26. Information relating to the work of the Pensions Board (including any relevant minutes) is available to the public (with the exception of exempt matters) and will be published on the Administering Authority's website with the exception of when such information is confidential or exempt under Schedule 12A.

27. Information detailing the Pensions Boards Terms of Reference shall be published on the Fund's website together with the any vacancies as they arise.

28. An agenda will be agreed prior to each meeting. The agenda and supporting papers will be issued at least five working days in advance of the meeting (except in matters of urgency).

29. Draft minutes of each meeting (including actions and agreements) will be [published circulated to all Board members](#) following the meeting and be subject to formal agreement by the Board at their next meeting.

30. In accordance with regulations the Fund will publish information about the Board, this information will include:

- The names of Board members and their contact details.
- The representation of employers and members on the Board.
- The role of the Board.
- These Terms of Reference.

All or some of this information is available on the Fund's website, [within the Fund's Representation Policy](#) and where appropriate as part of the Fund's Annual report and Governance Compliance Statement.

Review of Terms of Reference

31. These Terms of Reference shall be reviewed on each material change to those part of the Regulations covering local pension boards and at least annually.

Version	Author	Document Title	Approved By	Approval Date	Next Review
1	Rachel Howe	Local Pensions Board Terms of Reference	Local Pensions Board	9 July 2020	July 2021
2	Rachel Howe and Hayley Reid	Local Pensions Board Terms of Reference	Local Pensions Board	*20 July 2021*	July 2022

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Local Pension Board Work Plan 2021 - 2022

The West Midlands Pension Fund's Local Pension Board is responsible for assisting the Fund with the good governance and administration of the scheme by ensuring its compliance with the legislation, meeting the requirements of the Pensions Regulator (tPR) and its adherence to statutory guidance.

Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.	Training Requirements
Role - Good Governance				
Policy Review	To ensure the Fund meets its legislative and best practice duties of publishing statements and policies in line with the Fund's Policy Review Framework.	Each meeting - In line with the Fund's Policy Review Framework.	Compliance and Best Practice.	Relevant training on policies in line with the Fund's Policy Review Framework.
Fund Communication	To monitor Fund performance on the availability and quality of information produced by the Fund in line with its communications strategy.	Each meeting - the Board will receive an update on delivery against the Fund's customer engagement strategy.	Compliance – to ensure the Fund meets the TPR Code of Practice on communicating with members. Best Practice – to ensure the Fund meets its targets and objectives.	Customer Engagement updates as appropriate. TPR Code of Practice – member communications
Customer Engagement	To monitor the effectiveness of the customer engagement strategy.	Each meeting - the Board will be presented with KPI's to monitor the Fund's performance and	Best Practice – to ensure the Fund meets its objectives	Customer Engagement updates as appropriate.

Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.	Training Requirements
		delivery of the customer engagement strategy and plan.		TPR Code of Practice – member communications.
Internal Audit	To receive reports from the Fund's Governance and Compliance Team reviewing the implementation of actions from completed internal audits to ensure completion.	July 2021 - Annual review of internal reports completed during 2020-21 April 2022 - Board to receive the Internal Audit plan for forthcoming internal audits.	Best Practice – to ensure independent recommendations are implemented.	
Regulatory and Legislative Updates	To receive updates on potential changes to regulation and government policy which may affect the LGPS and the Fund, alongside details regarding the Fund's progress in implementing those changes, including SAB's Good Governance review and TPR's single Code of Practice.	As required	Compliance review.	Training on legislative updates to be provided as required.

Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.	Training Requirements
Breaches Log	To review the Fund's Breaches log and the actions taken by the Fund to resolve/mitigate those Breaches.	As necessary - The Board will receive an update on breaches and actions taken to resolve.	Compliance Review	tPR Code of Practice – Reporting to tPR
Knowledge and Understanding – Governing Body Members	Review training policies and plans for Governing Body Members to ensure adequacy and compliance with legislation.	July 2021 – Board to receive the Governing Body Member Training Policy. Updates on the training plan and recorded hours are delivered to members quarterly.	Compliance Review and Best Practice.	tPR– Knowledge and Understanding CIPFA – Knowledge and Understanding
Local Pension Board Governance	Review Local Pension Fund Governance arrangements and policies.	July 2021	Compliance Review and Best Practice	tPR– Governing Bodies SAB – Good Governance
Risk Register	Review risks and mitigating actions	Each meeting - The Board will	Best Practice	tPR– Risk Management

Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.	Training Requirements
		receive a risk register update.		Risk Reporting – new process for monitoring and reporting risks.
Role - Fund administration				
Pension Administration Strategy	To monitor the performance of Fund employers in line with the strategy. To monitor the implementation of the strategy including its charging structure.	July 2021 - Board to be presented with draft strategy following consultation.	Best Practice	tPR– Administration
Administration Benchmarking	To review the Fund's performance in comparison to comparator Funds.	January 2022	Best practice – to identify potential areas for improvement.	
Role – Investment Governance				
Investment Governance	To receive updates on the Fund's work in this area, including the development of the LGPS Central pool and responsible investment.	Each meeting - The Board will receive an investment governance update.	Compliance review – ensuring the Fund meets its legislative duty to achieve efficient investment returns and meets legislative requirement for investment pooling, adhering to relevant and up to date guidance.	tPR– Funding and Investment Investment risk and assurance.
Investment Benchmarking	To review the Fund's performance in comparison to comparator Funds.	July 2021	Best practice – to identify potential areas for improvement.	

Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.	Training Requirements
Role – Finance				
Annual Report and Accounts	To consider the Fund's annual report as well as the Scheme Advisory Board report following publication .	July 2021, following the audit and approval of the Statement of Accounts and Draft Annual Report.	Compliance review – ensuring the Fund meets its legislative duty in the production and publication of an annual report, adhering to relevant and up to date guidance.	Annual Report and Accounts

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Local Pensions Board Appointment Process

1.0 Introduction

- 1.1 The role of the Local Pensions Board “The Board” is to assist in the good governance of the scheme through the monitoring of Fund performance and adherence to statutory duties.

2.0 Local Pensions Board Structure

- 2.1 The Board consists of twelve individual seats. These individual seats are split into six employer representatives and six member representatives. The employer representative seats consist of five officer seats and one City of Wolverhampton Councillor. The member representative seats consist of five trade union seats and one City of Wolverhampton Councillor. Each member of the Board has a right to vote on matters brought before it. [Further details with regards to the makeup of the Board are included in the Fund’s Representation Policy which is available on the Fund’s website.](#)

- 2.2 Each year, the position of Chair and Vice-Chair is confirmed, with both the employer and member representatives considered with one position being allocated to each represented group.

3.0 Appointment process

- 3.1 ~~From January 2017~~ The Fund seeks nominations to the Board of two seats each democratic year, one member and one employer. This is to ensure fairness while retaining the knowledge and experience of the group.
- 3.2 Every year the two elected Councillors of the administering authority will be selected by the City of Wolverhampton Full Council at the Annual General Meeting held at the beginning of the municipal year.

- 3.3 The process of selecting which individual seat is up for nomination is determined at the Board's meeting in January April of any year and is instigated in the following order:
- a) Those members who have been unable to adhere to their responsibilities of attendance and training throughout the year
 - b) Any vacant seats unfilled or vacancies expected to arise before the end of the municipal year
 - c) Rotation based on length of service, one from the employer group and one from the member group
- 3.4 This process allows for natural movement within the Board, affording opportunities for new members whilst retaining knowledge and skills and considering the responsibility of individual members to fulfil their role to a high standard.
- 3.5 At the January April meeting an Appointments Panel will be formed to consider the nominations for employer representatives obtained through the annual appointments process. The standard structure of the Appointments Panel shall consist of the following:
- Chair,
 - Vice-Chair
 - Director of Pensions
 - Head of Governance and Corporate Services
- 3.6 If the Chair or Vice Chair are up for nomination, their position on the panel shall be conducted by another employer or member representative respectively.
- 3.7 If the Director of Pensions or the Head of Governance and Corporate Services is unable to fulfill their role on the appointments panel, they reserve the right to appoint a nominated officer from West Midlands Pension Fund.
- 3.8 The Fund will produce a nomination pack published on its website and provided to the Fund's employer and members groups to include the following:
- Application Form

- Terms of Reference
 - Code of Conduct
 - Conflicts of Interest Policy
 - ~~Conflict of Interest Declaration Form~~
 - Role Description
- 3.9 On receipt of applications, the nominations will be considered by the Appointments Panel initially by email to generate a shortlist, followed by a formal invite to interview with the Panel.
- 3.10 Should the Fund receive more applications than available posts, the Appointments Panel will be required to select appointed persons to the Local Pensions Board.
- 3.11 The Appointment Panel will be responsible for interviewing applicants and recommending to the Pensions Board persons appointed. Persons to be appointed must be able to fulfil their duties of knowledge and capacity and will be selected in consideration of maintaining a broad representation of the Fund's employer and member group.
- 3.12 It is permissible for current members of the Board to be re-nominated or to reapply for their post for one rotation. In the event of the re-nomination of members, the Board may decide to appoint without interview.
- 3.13 The Appointments Process will be completed by the start of each municipal year (June).

4.0 Employer Representatives

- 4.1 As disclosed in section 2.1 the Board has six employer representatives, five of which consist of the Fund's employer base including education authorities, local authorities, scheduled bodies [and](#) admitted bodies. [, and the Combined Authority](#)
- 4.2 Following the January [April](#) meeting, the Fund will communicate openly and engage with its employer groups to seek appropriate nominations. The Fund will endeavor to ensure that all employer groups are represented on the Board but reserve the right to fill vacant seats if an individual from the group cannot be appointed.

5.0 Member Representatives

- 5.1 As disclosed in section 2.1 the Board has six member representatives, five of which consist of trade union representatives from Unison, Unite and GMB.
- 5.2 Following the January April meeting, the Head of Governance and Corporate Services will approach collectively, the four trade unions and the TUC to seek nominations to the Pensions Board. Communications may also come from the Fund's governance team on behalf of the Head of Governance and Corporate Services.
- 5.3 The trade unions will work together to provide the Fund with nominations to the vacant member positions and will present a preferred candidate to the Appointments Panel.

6.0 Failure to Obtain Nominations

- 6.1 Should the Fund fail to receive nominations from the employer and member groups, it may approach persons directly to apply for the vacant positions, [for example through the employer peer group](#). Persons approached in this manner will still need to be formally interviewed and recommended by the Appointments Panel.
- 6.2 Where direct contact is made, persons contacted will be approached in consideration of their ability to meet the legislative requirement of knowledge and capacity and may be approached by recommendation from the Board.

7.0 Nominations mid-term

- 7.1 In the event that a member of the Board resigns their position, or are removed, before January April in any year, the appointments process will be followed at the time the resignation is received

Version	Author	Document Title	Approved By	Approval Date	Next Review
1	Rachel Howe	Local Pensions Board Appointments Policy	Local Pensions Board	9 July 2020	July 2021
2	Rachel Howe and Hayley Reid	Local Pensions Board Appointments Policy	Local Pensions Board	*20 July 2021*	July 2022

CITY OF
WOLVERHAMPTON
COUNCIL

Pensions Board

20 July 2021

Report title

Governance and Assurance

Originating service

Pension Services

Accountable employee

Rachel Howe Head of Governance and Corporate Services
Tel 01902 55 2091
Email Rachel.Howe@wolverhampton.gov.uk

Report to be/has been considered by

Rachel Brothwood Director of Pensions
Tel 01902 55 1715
Email Rachel.Brothwood@wolverhampton.gov.uk

Recommendations for noting:

The Pensions Board is asked to note:

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

1.0 Purpose

- 1.1 To provide Board with an update on the work of the Fund to deliver a well governed scheme.

2.0 Governance Compliance Statement and Representation Policy

- 2.1 In accordance with Local Government Pension Scheme (LGPS) Regulations the Fund is required to produce a Governance and Compliance Statement confirming its Governance arrangements, outlining the functions and responsibilities of its Governing Bodies (the Pensions Committee and the Local Pension Board). A copy of the Fund's Governance Compliance statement for 2021/2022 is attached at appendix A, the statement has been updated to reflect changes in governance arrangements.
- 2.2 Proposed changes to statutory guidance recommended by the Scheme Advisory Board's Good Governance review will require LGPS Fund's to publish a policy on representation of scheme members and non-administering authority employers on its Governing Bodies (the Pensions Committee and the Local Pensions Board). To demonstrate its commitment to Good Governance the Fund have established a Representation Policy alongside the review of its Governance and Compliance Statement and the delegations to its Governing Bodies. The Fund's Representation Policy is attached for noting at appendix B.

4.0 Risk Management

4.1 Strategic Risk Register

- 4.1.1 The Fund continues to evolve its Risk Management practices ensuring effective management and mitigation of risk, both operational, financial and potential risk on the horizon which may arise from statutory change.
- 4.1.2 In line with its Risk Management framework, the Fund holds operational risk maps for each service area; each map is owned by individual Senior Managers and is bespoke to the risks and impacts of that service area. While risks may be cross functional across all service areas and therefore repeated in operational risk maps (resourcing being one), the effect of that risk and the impact is individual to each, with each having individual mitigants to manage the impact.
- 4.1.3 From this, themes have been identified which are compiled on the attached strategic risk register. This is where there is overlap of risks across service areas, with the highest rating of risk from the risk maps (noted in the risk ID column) leading the rating on the strategic risk register. As the risks are now themed, the register also notes the current driver for that risk which represents the current area of concern. It is anticipated that the themes of risk on this strategic register will not change however there will be varying drivers throughout the year that may change the rating on the theme.

- 4.1.4 This approach makes the management of risk much more live and means that over the course of the year, the movement of risk will be reflective of the environment in any reporting period.
- 4.1.5 The Strategic Risk Register is attached at Appendix C. This quarter, focus remains on the changing regulatory environment, the Fund's ability to resource and recruit key roles with some senior roles being advertised at this time.

5.0 Compliance Monitoring

5.1 Data Protection

This quarter the Fund is reporting nine data breaches, an increase of four since the previous quarter. The Governance team have attributed this rise to the recently re-issued annual data-protection training which has heightened awareness amongst our colleagues. This is a comparative trend each year with the launch of annual training. All of the breaches were minor and involved minimal amounts of data with the majority raising awareness of potential improvements to working practices, rather than true breaches. This reporting is welcomed as it supports good data management and affords pre-emptive action prior to a formal breach occurring. The Governance team continue to identify actions in order to improve procedures and prevent further instances, and work with colleagues across operational teams to enhance data management processes.

5.2 Freedom of Information (FOI) Requests

This quarter the Fund received six FOI requests, all of which have been responded to within the deadlines set by Wolverhampton City Council, who operate in accordance with statutory timescales.

5.3 Subject Access Requests (SARs)

This quarter the Fund has received four Subject Access Request, an increase of one since the previous quarter. In addition, seven third party requests for member information have also been received. As reported previously, the majority of third-party requests for information were received from claims companies seeking information in connection with a member's decision to transfer out their pension to another provider.

5.4 Cyber Risk Management

The Fund continues to develop its programme of activity to ensure effective management of Cyber risk. As part of this, the Fund has taken part in an independent assessment by consultants AON, alongside other Funds to measure the controls and activities in place to manage cyber risk. The initial report received shows that the Fund scored higher than the average of the other local government Funds, in particular around the areas of governance, technology, member data and dealing with members. Since undertaking this assessment, the Fund has implemented a number of additional activities to further achieve the standards set out.

6.0 Key Performance Indicators

- 6.1 Attached at Appendix D are the Fund's Key Performance Indicators at the year-end which note a continued upward trend in operational and workload performance indicators at quarter four, despite the increase in work volumes over the three months leading to the year end, the majority of KPI's remain either within or close to target.
- 6.2 Attached at Appendix E is an overview of performance year on year, which shows that on the whole performance is in line with last year and that KPI's remain on target despite the current environment in which the Fund continues to operate as a result of the Covid-19 pandemic. The Fund has seen a drop in performance for the timely completion of IDRP cases, however this is due to factors outside of Fund control where delay has occurred in the receiving of medical reports, attributable to the current Covid-19 environment.

7.0 Regulator Activity

7.1. The Pensions Regulator's (TPR) Single Code of Practice

- 7.1.1 TPR released their consultation on the single code of practice during April. As previously reported, TPR are reviewing their 15 codes with the intention of creating one single code of practice. The Fund have responded to the consultation and a copy of the Fund's response is available on the website. Details of the TPR's response will be reported to a future meeting of the Local Pensions Board, along with details of the work being undertaken by the Fund in respect of preparation for the introduction of the single code of practice.

7.2 TPR Corporate Plan

- 7.2.1 TPR have released their three year Corporate Plan. The plan outlines the regulator's priorities for the next three years which have been linked to five strategic priorities; Security, Value for Money, Scrutiny of decision making, Embracing Innovation and Bold and Effective Regulation. These themes run through the goals and ambitions set out in the Fund's Corporate Plan for 2021 - 2026.

7.3 TPR Public Service Governance and Administration Survey 2020-21

- 7.3.1 TPR have also published the results of the 2020-2021 Governance and Administration survey on their website ([link below](#)). The survey aims to highlight common areas requiring improvement and areas of good practice across public sector schemes as well as being used to feed into their corporate strategies and priorities.
- 7.3.2 Key findings include a fall in the number of pension board meetings held during the period, this was attributed to the cancellation of meetings at the start of the Covid-19 pandemic. The Board will recall that four meetings were scheduled during the 2020-2021 municipal year. However, one was cancelled due to Covid-19 and agenda items were reported to the following meeting. The survey also highlighted a significant increase in the number of controls in place to protect data and assets from cyber risk. The Board

received an update on Cyber Security at its meeting in April and a further update will be provided as the Fund continues to develop and monitor its Cyber Risk Strategy.

8.0 Financial implications

- 8.1 Poor management of the Fund's data, financial information and assets can result in additional costs and detract from investment returns. Effective monitoring of the management arrangements, facilitated by timely disclosure of information, is required to ensure the Fund is well placed to ensure the delivery of its administration, funding and investment strategy.
- 8.2 Failure by the Fund to meet statutory requirements of effective governance and administration could result in fines imposed by the Pensions Regulator (tPR).

9.0 Legal implications

- 9.1 Failure by the Fund to comply with legislation and/or statutory guidance can result in enforcement action and fine from both tPR and the Courts via judicial review.

10.0 Equalities implications

- 10.1 There are no equalities implications arising as a result of this report.

11.0 Other implications

- 11.1 There are no other implications arising as a result of this report.

12.0 Schedule of background papers

- 12.1 [Fund's Corporate Plan 2021-2026](#)
- 12.2 [TPR Single Code](#)
- 12.3 [TPR Corporate Plan](#)
- 12.4 [TPR Public Service Governance and Administration Survey](#)

13.0 Schedule of appendices

- 13.1 Appendix A: Governance and Compliance Statement
- 13.2 Appendix B: Representation Policy
- 13.3 Appendix C: Strategic Risk Register
- 13.4 Appendix D: KPI's Quarter Four

This report is PUBLIC
NOT PROTECTIVELY MARKED

13.5 Appendix E: KPI's year on year



GOVERNANCE COMPLIANCE STATEMENT JUNE 2021



INTRODUCTION

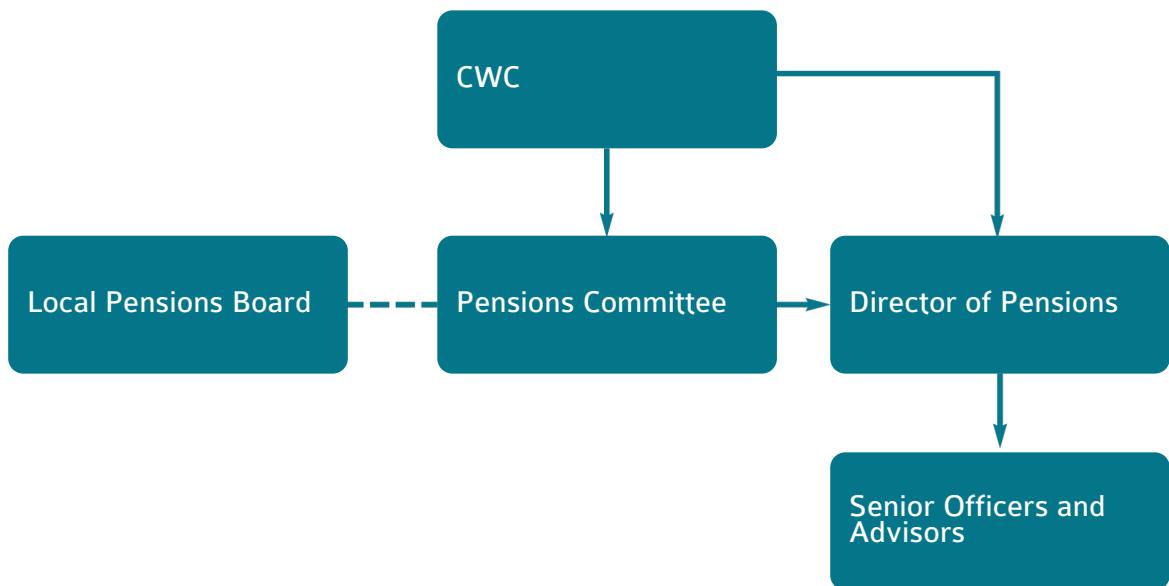
The Fund is required to publish a Governance and Compliance Statement under Regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended) and review that statement on an ongoing basis. This statement sets out the Fund's Governance Structure, scheme of delegation, and the terms of reference for its Governing Bodies, the Pensions Committee and the Local Pensions Board.

RELATIONSHIP WITH THE ADMINISTERING AUTHORITY – THE CITY OF WOLVERHAMPTON COUNCIL

The City of Wolverhampton Council (CWC) is the Administering Authority for the West Midlands Pension Fund (the Fund) under the Local Government Pension Scheme Regulations 2013 and is the Scheme Manager as defined by Section 4 of the Public Service Pension Act 2013. CWC are required, by virtue of the statutory provisions in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 to manage the Pension Fund's assets and liabilities separately to those it holds to perform its functions as a local government authority and to carry out all other activities associated with the management and administration of the scheme, in accordance with legislation and statutory guidance for the benefit of its members, employers and other stakeholders.

GOVERNANCE STRUCTURE

Under its constitution and in accordance with Section 101 of the Local Government Act 1972 CWC have delegated responsibility for the management of the Fund to the Pensions Committee and the Director of Pensions. As required by the Public Service Pensions Act 2013, CWC have also established a Local Pensions Board to assist in the good governance of the scheme by ensuring compliance with legislation and statutory guidance. The Fund's Governance arrangements are outlined in the diagram below.



THE PENSIONS COMMITTEE

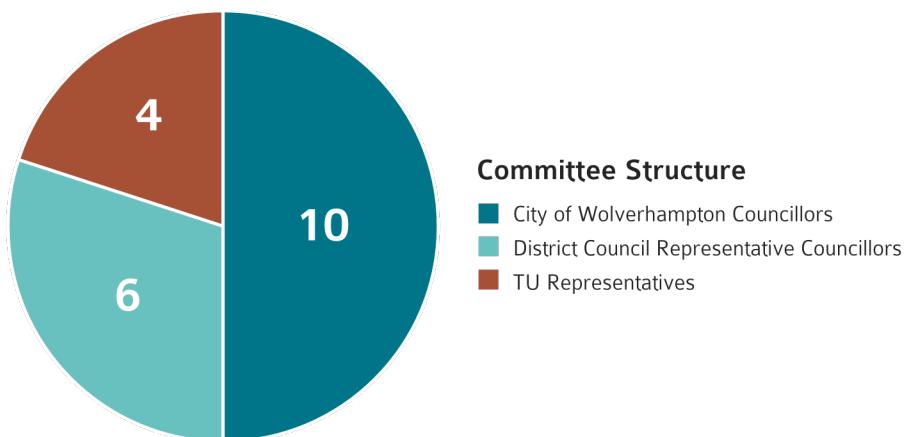
The Pensions Committee is responsible for exercising all of the functions that are required as an Administering Authority for a Local Government Pension Scheme under the Public Service Pensions Act 2013. Adhering to the principles required by Statutory Guidance, The Pensions Regulator's (TPR) Code of Practice and performing the duties set out in the Terms of Reference for the Pensions Committee as detailed in CWC's Constitution available on its website.

Members of the Pensions Committee are responsible for the Fund's activities, ensuring that the Fund is managed in the best interest of all its members, employers, and beneficiaries. This can sometimes mean that members may have to make decisions in a non-political context.

The key duties of the Pensions Committee as set out in the terms of reference are as follows:

- To exercise all those functions of City of Wolverhampton Council which are required to be performed by it in its role as Administering Authority for the Local Government Pension Scheme under the Public Service Pensions Act 2013 (and any associated legislation) adhering to the principles required by Statutory Guidance.
- To adhere to the principles set out in the Statutory Guidance and Codes of Practice issued by the Scheme Advisory Board and the Pensions Regulator and undertake its duties in compliance with the obligations imposed on it as Scheme Manager.
- To approve the Fund's operational budget and receive reports on matters of staffing and employment where significant budget implications occur.
- To represent the views of members in the management and administration of the Fund.
- To ensure that equality issues are addressed in the development of policies and the provision of services and are appropriately monitored.
- To determine the investment strategy and supporting responsible investment policy and framework of the Fund in consideration of the long-term liabilities and duties to pay pension benefits.
- To monitor investment activity and the performance of the Fund's investments. To take independent and specialist advice on matters to be determined, including advice from Senior Officers of the Fund, adhering to the advice given when taking decisions.
- To ensure effective operational and financial risk management and to receive reports on actions identified in the Fund's internal control framework.
- Reviewing and adopting the statutory policies of the Fund, in accordance with the Fund's policy framework.
- On an annual basis to receive and approve the Annual Report and Accounts

The membership of the Pensions Committee is detailed in the diagram below.



The 10 CWC Councillors and six District Councillors are all voting members of the Committee, whilst the four TU Representatives are invited to represent the Fund's members as observers who can participate in debate but do not have voting rights. Further details about the Pension Committee Membership can be found in the Fund's Representation Policy which is available on the Fund's website. The Pensions Committee meet on a quarterly basis and are managed and operate as a Section 101 delegated Committee.

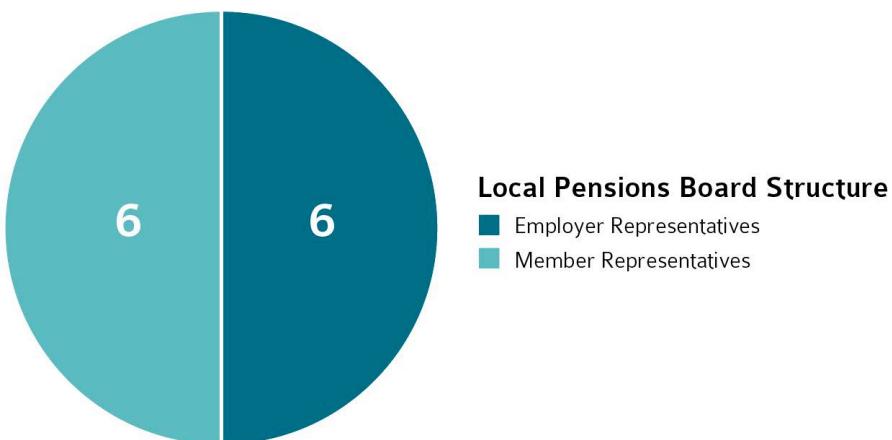
THE LOCAL PENSIONS BOARD

As required by the Public Service Pensions Act 2013, CWC as administering authority established the Local Pensions Board to assist in the good governance of the scheme by ensuring the Fund's compliance with legislation and statutory guidance. The terms of reference for the Local Pensions Board are available on the Fund's website.

The role the local Pensions Board is to assist in the good governance of the Local Government Pension Scheme through the monitoring of compliance with statutory regulation and guidance and to act as a representative both for and on behalf of the employer and member base ensuring effective governance and administration in the management and payment of pension benefits.

Pension Board members are non-political, they represent the Funds members and employers (not political group, trade union or individual employer) and must consider the Fund's overriding objective, which is to pay members benefits when they fall due.

As detailed in the diagram below, the Pensions Board consists of 6 employer and 6 member representatives, 2 of which (one from each category) are CWC elected Councillors.



Each member of the Board has a right to vote on matters brought before it. The positions of Chair and Vice Chair are appointed to annually by vote of the membership, with a rotation of employer and member representatives each year. Further information with regards to representation on the Local Pensions Board can be found in the Representation Policy which is available on the Fund's website. Appointments to the Local Pensions Board are made in accordance with the Fund's Local Pensions Board Appointments process which is also available on the website. In line with Pensions Committee, the Board also meet on a quarterly basis.

The Board establishes an annual programme of work focused on the Fund's governance and administration processes, monitoring the Fund's compliance with statutory and regulatory guidance and working with officers to ensure the highest standards are met. The workplan covers the broad range of functions undertaken by the Fund including data management, financial management, funding policy and investment governance and stewardship. A report on the work of the Pensions Board is provided to the Pensions Committee on an annual basis.

INVESTMENT POOLING

ROLE OF INDIVIDUAL ADMINISTERING AUTHORITY

In compliance with the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, the West Midlands Pension Fund has outlined its approach to investment pooling in its Investment Strategy Statement. Working collectively with Partner Funds, the West Midlands Pension Fund created and owns LGPS Central Limited, an FCA regulated company responsible for product development and offerings to the 8 Administering Authorities as its clients.

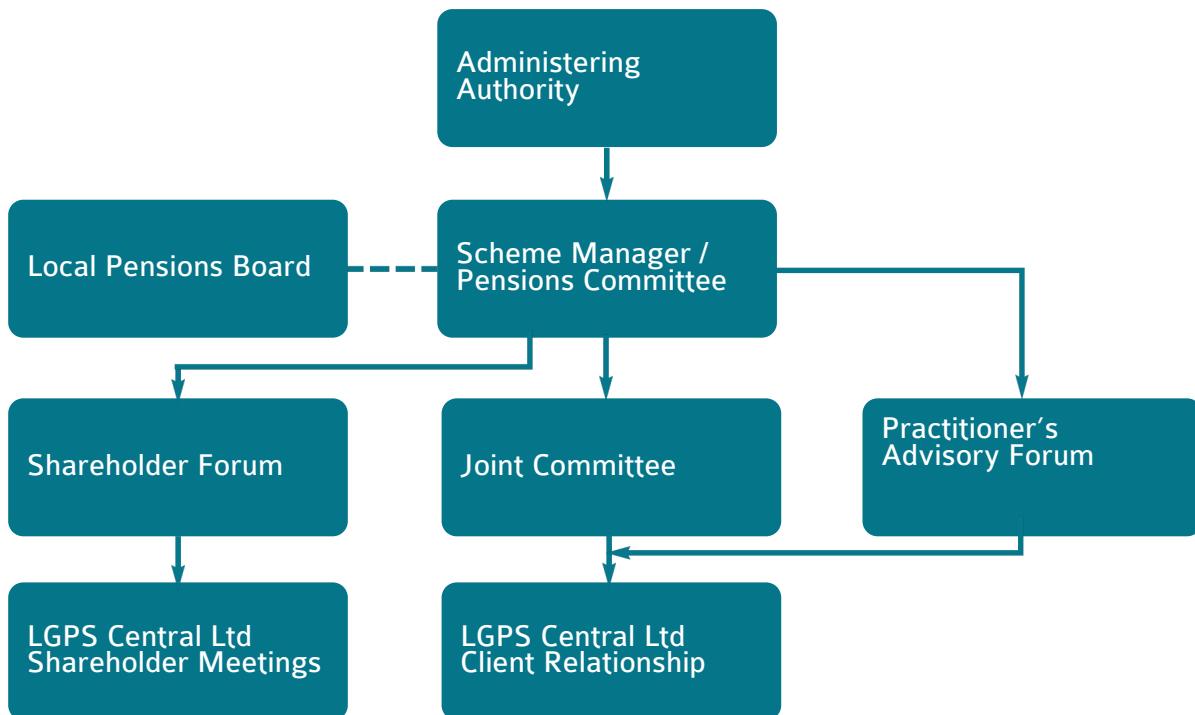
In conjunction with its Partner Funds, West Midlands Pension Funds takes 2 roles in this structure:

- **Role as Shareholder**

To oversee, challenge and ensure the company's goals, ambitions and overall performance achieve the objectives set out in its annual business plan (including the budget), ensuring such business plan is fit for purpose in the context of its customers, their needs and ambitions, including the creation and delivery of products which meet those needs.

- **Role as Client/Customer**

To receive services (under agreement) and to manage the performance of that agreement in line with contract management processes.



DIRECTOR OF PENSIONS

In accordance with Section 101 of the Local Government Act responsibility for the day to administration, and investment management for the Fund within the policy's and strategies agreed by the Pensions Committee is delegated to the Director of Pensions.

The Director of Pensions has lead responsibility for the West Midlands Pension Fund in accordance with the statutory provisions imposed on Administering Authorities who hold a Local Government Pension Scheme function, as governed by the Public Service Pensions Act 2013 (and associated legislation). The delegations to the Director of Pensions are reviewed on annual basis by the Pensions Committee to ensure ongoing compliance with regulation and statutory guidance. The full delegations to the Director of Pensions are available in CWC's constitution.

The Director of Pensions may authorise Senior officers from within the Fund to exercise on their behalf the functions delegated to them. Any decisions taken under this authority shall remain the responsibility of the Director of Pensions who shall remain accountable and responsible for such decisions.

ACCOUNTABILITY AND PUBLICATION OF INFORMATION

Details of Pensions Committee and Local Pension Board meetings, including minutes agendas and reports presented are publicly available on the Administering Authority's website. Members of the Local Pensions Board have full access to the information presented to the Pensions Committee and visa-versa.

Meetings of the Pensions Committee are open to members of the public.

The Pensions Board workplan is published on the Fund's website and a report on the work of the Pensions Board is presented annually to the Pensions Committee, this report is published on CWC's website.

The Fund prepares and publishes a Corporate Plan and an Annual Pension Fund Report and Accounts detailing Fund activities and performance during the year. The Annual Report includes details of the training records for members of the Fund's Governing Body's (The Pensions Committee and Local Pensions Board), with copies available on the Fund website.

GOVERNING BODY KNOWLEDGE AND SKILLS

The Fund is required by law (section 248a of the Public Service Pensions Act 2013), and statutory guidance (Pensions Regulator's Code of Practice and Scheme Advisory Board Statutory Guidance), to ensure that members of its Governing Body's (the Pensions Committee and the Local Pensions Board), have an appropriate level of knowledge and understanding, to undertake the roles and functions of the positions they have been appointed to.

The Fund have established a Governing Bodies training policy which is available on its website, the policy sets out the Fund's approach to supporting Governing Body members to meet statutory expectations with regards to knowledge and understanding through a tailored and structured training programme and evidencing compliance with these expectations.

GOVERNING BODY CONFLICTS OF INTEREST

A conflict of interest is defined as a financial or other interest which is likely to prejudice a person's ability to undertake the functions of the role they have been appointed to. A conflict could arise where an individual has been appointed to a Governing Body (the Pensions Committee or Local Pensions Board) who at the same time has a separate personal interest or responsibility (financial or otherwise) in a matter being discussed. The Fund have established a Conflicts of Interest policy that sets out its approach to identifying, monitoring, and managing conflicts which is available on its website. Members of the Pensions Committee and Local Pensions report are required to complete annual declarations of interest and the Fund maintain a register of interest declared. Declaration of Interests is also a standing agenda item at all meetings of both The Pensions Committee and the Local Pensions Board. In addition, elected members are expected to follow the polices agreed by their Local Authority, including the relevant Councillor Code of Conduct.

COMPLIANCE STATEMENT

The Fund fully complies with the best practice guidelines on governance, issued by the Ministry of Housing, Communities and Local Government (MHCLG), for details see the table below.

Principle	Fully Compliant
A – Structure	
The Management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.	✓
That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	✓
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	✓
That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	✓

Principle	Fully Compliant
B – Representation	
<p>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee (the Local Pensions Board) structure. These include;</p> <ul style="list-style-type: none"> • Employing authorities (including non-scheme employers (e.g. admitted bodies)) • Scheme members (including deferred and pensioner scheme members) • Independent professional observers • Expert advisers 	✓
<p>That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.</p>	✓
Selection and role of lay members	
Principle	Fully Compliant
<p>That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee</p>	✓
<p>That at the start of any meeting, committee members are invited to declare any financial or pecuniary interest related to specific matters on the agenda</p>	✓
Voting	
<p>The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees</p>	✓

Training/Facility Time/Expenses	Fully Compliant
That in relation to the way in which statutory and related decisions are taken by the Administering Authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process	✓
That where such a policy exists, it applies equally to all members of committees, sub- committees, advisory panels or any other form or secondary forum	✓
Meetings	
That the Administering Authority's main committee or committees meet at least quarterly.	✓
That an Administering Authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.	✓
That Administering Authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders be represented	✓
Access	
That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	✓
Scope	
That administering authorities have taken steps to bring the wider scheme issues within the scope of their governance arrangements.	✓
Publicity	
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.	✓

Version	Author	Document Title	Approved By	Approval Date	Next Review
1	Rachel Howe	Governance and Compliance Statement 2020	Pensions Committee	25 March 2020	March 2021
2	Hayley Reid	Governance and Compliance Statement 2021	Pensions Committee	23 June 2021	June 2022

West Midlands Pension Fund
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Representation Policy

Background

In accordance with best practice the Fund has established a policy on representation of scheme members and non-administering authority employers on its Governing Bodies (Pensions Committee and the Local Pensions Board) detailing its approach to representation and voting rights for each party.

Pensions Committee

The City of Wolverhampton Council's Pensions Committee have delegated responsibility to undertake the role of the Scheme Manager in accordance with Section 4 of the Public Service Pensions Act 2013.

The Committee is responsible for; exercising all of the functions that are required as an Administering Authority for a Local Government Pension Scheme under the Public Service Pensions Act 2013, adhering to the principles required by Statutory Guidance, The Pensions Regulators (tPR) Code of Practice and performing the duties set out in the Terms of Reference for the Pensions Committee as detailed in the Administering Authority's Constitution [available, on it's website.](#)

Members of the Pensions Committee are accountable for all the Fund's activities and are responsible for ensuring that the Fund is managed in the best interest of all its employer's, member's and beneficiaries (employees of the public sector within the West Midlands region).

The membership of the Pensions Committee consists of;

- Ten City of Wolverhampton Council elected members who are nominated by the Full Council at the Annual Council Meeting. The Chair and Vice Chair of the Committee are appointed annually from these members by Full Council.
- Six District Council elected members, one representative from each of the six districts within the Fund (Birmingham City Council, Dudley MBC, Coventry City Council, Sandwell MBC, Solihull MBC and Walsall MBC).
- Four Trade Union 'member representatives' invited from the three main trade unions of the Administering Authority and nominated by their respective Union.



Committee Structure

- City of Wolverhampton Council Councillors
- District Council Representative Councillors
- TU Representatives

Elected members sit as full members of the Committee with debating and voting rights on all matters presented. Trade Union representatives are invited to sit on the Pensions Committee as observers on behalf of pension scheme members. Therefore, they may participate in debate and have the same access to papers, meetings and training opportunities but hold no voting rights. Trade Union representatives are invited to participate in training events in order to assist in informing debate.

The quorum for the Pensions committee is nine, this is to ensure that the committee remains politically balanced with best endeavours to ensure at least one District Council representative at each meeting to ensure adequate representation. Trade Union representatives do not count towards quorum however, every effort is made to ensure at least one individual is in attendance for each meeting.

Pensions Board

In accordance with Section 5 of the Public Service Pensions Act 2013 and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended), the Fund have established the West Midlands Local Pension Board (The Board). The role of the Board is to assist in the good governance of the scheme through the monitoring of Fund performance.

The Pensions Board has 12 members, six employer representatives and six members representatives and is structured as follows;

- Five Employer Representatives, five officer seats, from each of the category of employers within the Fund.
- Five member representatives invited from three main trade unions of the Administering Authority, the number of seats for each trade union are based on the membership from the administering authority. Trade Union members are nominated by their respective union.
- Two elected member seats, one employer representative and one member representative selected by the Administering Authority at the Full Council meeting at the beginning of each municipal year. In line with statutory provisions, an elected Councillor who sits on pensions board, cannot also sit on the Pensions Committee and must be a member or employer representative.

Each member of the Board has a right to vote on matters brought before it. The nominations to Chair and Vice Chair are appointed to annually, with a rotation of employer and member representatives each year.



The Fund has established a Local Pensions Board appointments process, [available here](#) which details its approach to appointing members of the Board, brief details are outlined below:

- The Fund seeks nominations to two of its seats, one employer and one member annually at the start of each democratic year.
- The process for selecting which seats are up for nomination is determined at the Board meeting in January and should be instigated as follows;
 - Members who have been unable to adhere to their responsibilities with regards to attendance and training.
 - Vacant seats (including vacancies which may arise before the end of the year)
 - Rotation based on length of service, one from each group.
- This process allows for natural movement within the Board whilst retaining knowledge and experience.
- As detailed above, member representative nominations are invited from the three main trade unions at the administering authority.
- Employer nominations are invited through communication with the Fund's employer base, following formal advert and recruitment to the Fund's employer contacts. The Fund endeavours to ensure it has representation across the different employer types within including education authorities, local authorities scheduled bodies and admitted bodies.
- In accordance with the appointments policy an appointments panel is convened to agree nominations.

Wider Representation

Customer Engagement Strategy and Customer Engagement Plan

The Fund publishes an annual Customer Engagement Plan aligned to the customer Engagement Strategy, setting out how the Fund will engage, consult and involve customers (members, employers, partner organisations, trade unions and statutory bodies), and stakeholders, including its Governing Bodies. The Customer Engagement Strategy encourages engagement and feedback from customers which serves to inform our delivery, enhancing overall outcomes. A copy of the Customer Engagement strategy is [available here](#).

An annual Customer Engagement Plan detailing planned engagement activities with Fund stakeholder's (Employers, Members (active, deferred and pensioner) and Governing Body members) is also prepared and published on the Fund's website, [available here](#).

Employer Peer Group

The Fund have established an Employer Peer Group, consisting of a group of representatives from the Fund's employer base. The Employer Peer Group has an open invitation to all employers, the primary focus of the group is listed in their terms of reference which is [available here](#) and includes enabling collaborative working with employers, sharing best practice and discussion on current issues within the LGPS and their impact. Items discussed by the employer peer group are relayed to the wider employer base through the Employer Brief (newsletter) at the Fund's Mid-Year Review and Annual General Meetings and the Fund's website.

The Wider LGPS

As a leader across the LGPS, our role on national bodies ensures the voices of our customers are heard by those with responsibility for change, placing our members and employers at the centre of decisions which impact their futures.

West Midlands Pension Fund Strategic Risk Register Quarter 1 2021					
	Risk Issue	Area of Concern	Current Driver	Rating	Risk ID (from operational risk map)
1	Data Management	Data Quality and the ability of the Fund to produce statutory requirements for reporting together with meeting current legislative drivers.	Annual Benefit Statement run due to take place May through to August		G1, F7, OP1, INV2
			McCloud data cleansing is an ongoing project which will require additional data cleansing work by both the Fund and Employers		
			ongoing challenge to manage and process high volumes of investment related data		
2	Governance processes and structure	The Fund is not able to update and effect its processes to ensure ongoing compliance with regulatory requirements.	Forthcoming regulatory change and statutory guidance redefining reporting requirements for the Fund (Pension Regulator Single Code, Good Governance, Investment data reporting and oversight)		G1, F2, F3, OP2, F4, F8, OP8, PS1, PS2, INV1
3	Business Continuity and Cyber Risk	The Fund is unable to perform its functions	Current Covid environment and the reliance on home networks to support service delivery		G3, G4, F11, OP5
			Global concern on Cyber risk is heightened in the current environment		
4	Resourcing service delivery	IT Systems ability to cope with workload demands and the impact of manual processes pending automation enhancements from third party suppliers.	Competition in the market for skilled roles following a year of a closed recruitment market which is now picking up pace.		G5, F1, OP4, OP7, PS7, PS8
		People resource risk and the ability to recruit to vacant roles with adequate skills	Ongoing medium term reliance on interim roles to support service delivery where key roles are pending recruitment.		
5	Internal Controls	The Fund is not able to effectively monitor and report on its compliance with regulatory requirements with a need to conduct a full review of those in place due to ongoing regulatory change	Change in reporting requirements and the presentation of compliance forthcoming from the Regulator and Scheme Advisory Board.		F6, F10, F12, F13, PS6, OP6, PS1, INV1
			ongoing challenge to manage and process high volumes of investment related data		
6	Service Delivery - Fund	The Fund is unable to deliver its services due to the impact of adequate resourcing or focus on other areas in response to regulatory change.	Current recruitment risk		F9, PS3, PS5, INV3
			Multitude of regulatory change in the operational and reporting requirements of Funds		
7	Service Delivery - Third Parties	The Fund is unable to deliver its services due to the reliance on third parties	Software updates to support automation and process efficiencies are led by the software provider		OP3, F5, PS4
			Employers own resource risk limits ability to deliver requirements for the Fund		

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West Midlands Pension Fund - Key Performance Indicators (KPIs)



Operations - Benefit Operations Processes											
Customer Engagement and Communication	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 % HR
					20/21 Q1 % Hit	20/21 Q2 % Hit	20/21 Q2 Trend	20/21 Q3 % Hit	20/21 Q3 Trend	20/21 Q4 % Hit	
	Refund Notification	Notify members of Refund within 10 days of receiving required information	Monthly	90%	97.20%	95.16%	⬇️	93.51%	⬇️	94.76%	⬆️ 95.12%
	Refund Payment	Refund payments processed within 5 days of receiving required information	Monthly	90%	99.02%	98.80%	⬇️	98.66%	⬇️	97.97%	⬇️ 98.75%
	Retirement Quote	Notification of Estimated Benefits within 15 days of retirement date	Monthly	90%	76.80%	90.67%	⬆️	92.14%	⬆️	98.51%	⬆️ 99.88%
	Retirement Notification	Notification of the actual benefits within 5 days of receiving member option form (Retirement Notification)	Monthly	90%	98.32%	99.33%	⬆️	99.7%	⬆️	93.99%	⬇️ 97.70%
	Retirement Payment	Payment of lump sum and creation of payroll record within 5 days of receiving member option form	Monthly	90%	96.27%	98.89%	⬆️	98.92%	⬆️	99.80%	⬆️ 98.47%
	Deferred Retirement Quote	Issue quote letter within 10 days of the member's eligible payment date or receipt of request from member	Monthly	90%	91.86%	89.23%	⬇️	80.05%	⬇️	90.64%	⬆️ 87.61%
	Deferred Retirement Notification	Notification of the actual benefits within 5 days of receiving member option form (Deferred Retirement Notification)	Monthly	90%	96.61%	96.20%	⬇️	97.58%	⬆️	95.84%	⬇️ 96.57%
	Deferred Retirement Payment	Payment of lump sum and creation of payroll record within 5 days of receiving election form (Deferred Retirement)	Monthly	90%	92.32%	94.59%	⬆️	95.16%	⬆️	95.20%	⬆️ 94.39%
	Transfer In Quote	Transfer in quotations processed within 10 days of receiving all the required information	Monthly	90%	100.0%	95.60%	⬇️	94.20%	⬇️	100.00%	⬆️ 97.82%
	Transfer In Payment	Transfer in payments processed if transferred in membership to be notified to the scheme member within 10 days of receiving payment	Monthly	90%	100.0%	95.52%	⬇️	94.22%	⬇️	100.00%	⬆️ 97.76%
	Transfer Out Quote	Transfer out quotations processed within 20 days of receiving required information	Monthly	90%	100.0%	99.59%	⬇️	99.39%	⬇️	98.26%	⬇️ 99.23%
	Transfer Out Payment	Transfer out payments processed within 20 days of receiving required information	Monthly	90%	100.0%	96.30%	⬇️	91.43%	⬇️	97.96%	⬆️ 96.71%
	Deaths Acknowledgement	Acknowledgment of a death within 5 days of receiving the notification	Monthly	90%	98.32%	98.17%	⬇️	99.4%	⬆️	92.64%	⬇️ 96.77%
	Deaths Notification of Benefits Payable	Notification of benefits payable to dependents will be issued within 5 days of receiving the required information	Monthly	90%	94.70%	91.28%	⬇️	90.18%	⬇️	95.08%	⬆️ 93.22%
	Deaths Payment	Payment of due lump sum will be made within 10 days of receipt of all the required information	Monthly	90%	100.0%	100.0%	➡️	99.21%	⬇️	100.00%	⬆️ 99.82%

Pension Services - Service Calls											
Customer Engagement and Communication	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 % HR
					20/21 Q1 % Hit	20/21 Q2 % Hit	20/21 Q2 Trend	20/21 Q3 % Hit	20/21 Q3 Trend	20/21 Q4 % Hit	
	Customer Services Calls	Calls received to the customer helpline to be answered	Monthly	85%	78.06%	86.57%	⬆️	87.59%	⬆️	75.07%	⬇️ 82.77%
	Employer Services Calls	Calls received to the employer helpline to be answered	Monthly	85%	96.47%	95.97%	⬇️	95.64%	⬇️	96.45%	⬆️ 96.12%

Pension Services - Customer Satisfaction											
Customer Engagement and Communication	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 % HR
					20/21 Q1 % Hit	20/21 Q2 % Hit	20/21 Q2 Trend	20/21 Q3 % Hit	20/21 Q3 Trend	20/21 Q4 % Hit	
	Customer Satisfaction	Customer satisfaction	Quarterly	90%	100.00%	95.42%	⬇️	88.80%	⬇️	90.00%	⬆️ 92.56%

Pension Services - Web Portal Registrations											
Customer Engagement and Communication	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 Regs
					20/21 Q1 Regs	20/21 Q2 Regs	20/21 Q2 Trend	20/21 Q3 Regs	20/21 Q3 Trend	20/21 Q4 Regs	
	Web Portal Registrations	Web Portal Registrations	Monthly	90000	97339	101834	4.62%	104901	3.03%	108133	3.08% 106133

Operations - Web Portal Availability											
Customer Engagement and Communication	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 %
					20/21 Q1 %	20/21 Q2 %	20/21 Q2 Trend	20/21 Q3 %	20/21 Q3 Trend	20/21 Q4 %	
	Web Portal Availability	Web Portal to be available 95% of the time (based on working hours as monitored)	Monthly	95%	98.80%	100.00%	⬆️	99.1%	⬇️	98.98%	⬇️ 99.42%
	Employer Portal Availability	Employer Portal to be available 95% of the time (based on working hours as monitored)	Monthly	95%	98.56%	99.79%	⬆️	99.37%	⬆️	99.19%	⬇️ 99.34%

Pension Services - Complaints Monitoring											
Customer Engagement and Communication	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 % HR
					20/21 Q1 <1%	20/21 Q2 <1%	20/21 Q2 Total Complaints	20/21 Q3 <1%	20/21 Q3 Total Complaints	20/21 Q4 <1%	
	Member Complaints	All member complaints to be responded to within 20 working days of receipt	Monthly	100%	97.67%	97.14%	⬇️	93.33%	⬇️	92.86%	⬇️ 95.52%
	Employer Complaints	All employer complaints to be responded to within 20 working days of receipt	Monthly	100%	100.00%	100.00%	➡️	100.00%	➡️	N/A	➡️ 100.00%

Governance - Effective Decision Making											
Governance and Risk	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 %
					20/21 Q1	20/21 Q2	20/21 Q2 Trend	20/21 Q3	20/21 Q3 Trend	20/21 Q4	
	Pensions Committee Training	Training hours of Pensions Committee	Biannually	22 hours pp	155.33%						
	Pensions Board Training	Training hours of Pensions Board	Biannually	22 hours pp	86.81%						
	Total PC/PB Training	Total training hours of Pensions Committee and Board	Biannually	22 hours pp	131.93%						

Governance - Statutory Response Timeliness											
Governance and Risk	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 %
					20/21 Q1	20/21 Q2	20/21 Q2 Trend	20/21 Q3	20/21 Q3 Trend	20/21 Q4	
	Combined Statutory Timeliness	Overall statutory response timeliness	Monthly	100%	100.00%	100.00%	➡️	90.91%	⬇️	100.00%	⬆️ 98.57%

Investments - Investment Returns											
Strategic Asset Allocation and Performance	KPI Summary	KPI Description	Frequency	KPI Target	T Yr		Values		Trend		20/21 %
					20/21 Q1 % Rec	20/21 Q2 % Rec	20/21 Q2 Trend	20/21 Q3 % Rec	20/21 Q3 Trend	20/21 Q4 % Rec	
	Main Fund ROI	Main Fund - Returns to be 0.5% above the benchmark (3 Yr Rolling)	Monthly	+/- 0.5%</							

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West Midlands Pension Fund - Key Performance Indicators (KPIs)



	Operations - Benefit Operations Processes	KPI Description	Frequency	KPI Target	T Yr	MMM
					19/20	20/21
Customer Engagement and Communication	KPI Summary					
	Refund Notification	Notify member of Refund within 10 days of receiving required information	Monthly	90%	95%	95%
	Refund Payment	Refund payments processed within 5 days of receiving required information	Monthly	90%	100%	99%
	Retirement Quote	Notification of Estimated Benefits within 15 days of retirement date	Monthly	90%	89%	90%
	Retirement Notification	Notification of the actual benefits within 5 days of receiving member option form (Retirement Notification)	Monthly	90%	97%	98%
	Retirement Payment	Payment of lump sum and creation of payroll record within 5 days of receiving election form (Retirement)	Monthly	90%	97%	98%
	Deferred Retirement Quote	Issue of quote letter within 30 days of the members eligible payment date or receipt of request from member	Monthly	90%	94%	88%
	Deferred Retirement Notification	Notification of the actual benefits within 5 days of receiving member option form (Deferred Retirement Notification)	Monthly	90%	98%	97%
	Deferred Retirement Payment	Payment of lump sum and creation of payroll record within 5 days of receiving election form (Deferred Retirement)	Monthly	90%	96%	94%
	Transfer In Quote	Transfer in quotations processed within 10 days of receiving all the required information	Monthly	90%	98%	98%
	Transfer In Payment	Transfer notification of transferred in membership to be notified to the scheme member within 10 days of receiving payment	Monthly	90%	99%	98%
	Transfer Out Quote	Transfer out quotations processed within 20 days of receiving required information	Monthly	90%	100%	99%
	Transfer Out Payment	Transfer out payments processed within 20 days of receiving required information	Monthly	90%	99%	97%
	Deaths Acknowledgement	Acknowledgement of a death within 5 days of receiving the notification	Monthly	90%	94%	97%
	Deaths Notification of Benefits Payable	Notification of benefits payable to dependents will be issued within 5 days of receiving the required information	Monthly	90%	99%	93%
	Deaths Payment	Payment of death lump sum will be made within 10 days of receipt of all the required information	Monthly	90%	100%	100%
Customer Engagement and Communication	Pension Services - Service Calls	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Customer Services Calls	Calls received to the customer helpline to be answered	Monthly	85%	82%	83%
	Employer Services Calls	Calls received to the employer helpline to be answered	Monthly	85%	98%	96%
	Pension Services - Customer Satisfaction	KPI Description	Frequency	KPI Target	T Yr	T Yr Qrt
	KPI Summary				19/20	20/21
	Customer Satisfaction	Customer satisfaction	Quarterly	90%	100%	94%
	Pension Services - Web Portal Registrations	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Web Portal Registrations	Web Portal Registrations	Monthly	90000	93946	108133
Operations - Pension Portal Availability	Operations - Pension Portal Availability	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Web Portal Availability	Pensions Portal to be available 95% of the time (based on working hours as monitored)	Monthly	95%	99%	99%
	Operations - Pension Portal Downtime Occurrences	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Web Portal Downtime Occurrences	Number of occurrences Web Portal is unavailable to reduce year on year	Monthly	0	27	11
Customer Engagement and Communication	Operations - IDRP Monitoring	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	IDRP Combined	All IDRP cases completed within 2 months	Monthly	100%	40%	36%
	Pension Services - Complaints Monitoring	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Member Complaints	All member complaints to be responded to within 20 working days of receipt	Monthly	100%	97%	96%
	Employer Complaints	All employer complaints to be responded to within 20 working days of receipt	Monthly	100%	77%	100%
	Pension Services - Complaints Monitoring	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Member Complaints less than 1%	No of member complaints to be less than 1% of total membership	Monthly	<1%	✓	✓
Governance and Risk	Employer Complaints less than 1%	No of employer complaints to be less than 1% of total employer membership	Monthly	<1%	✓	✓
	Governance - Effective Decision Making	KPI Description	Frequency	KPI Target	T Yr	T Yr Qrt
	KPI Summary				19/20	20/21
	Total PC/PB Training	Total training hours of Pensions Committee and Board	Biannually	22 hours pp	100%	132%
	Governance - Effective Decision Making	KPI Description	Frequency	KPI Target	T Yr	T Yr Qrt
	KPI Summary				19/20	20/21
	Total PC/PB Attendance	Total attendance rate of Pensions Committee and Board	Biannually	4 per year	79%	78%
Governance - Statutory Response Timeliness	Governance - Statutory Response Timeliness	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Combined Statutory Timeliness	Overall statutory response timeliness	Monthly	100%	93%	99%
	Governance - Data Breaches Recorded	KPI Description	Frequency	KPI Target	T Yr	MMM
Strategic Asset Allocation and Performance	KPI Summary				19/20	20/21
	Data Breaches Recorded	Decrease in data breaches recorded	Monthly	Red high Green low	55	25
Data Management and Reporting	Investments - Investment Returns	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Main Fund ROI	Main Fund - Returns to be 0.5% above the benchmark (3 Yr. Rolling)	Monthly	+/- 0.5%	-1%	-1%
	Governance - Data Quality	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Common Data	Common Data	Monthly	99%	97%	97%
Financial Management and Cost Reduction	Operations - Data Improvement	KPI Description	Frequency	KPI Target	T Yr	T Yr Qrt
	KPI Summary				19/20	20/21
	ABS	ABS produced for 100% of active member records	Annually	100%	89%	89%
	DBS	DBS produced for 100% of deferred member records	Annually	100%	90%	90%
Finance - Contributions Received	Finance - Contributions Received	KPI Description	Frequency	KPI Target	T Yr	MMM
	KPI Summary				19/20	20/21
	Contributions	Main Fund - Contributions received from employers and validated by accountancy statement	Monthly	98%	98%	100%

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CITY OF WOLVERHAMPTON COUNCIL	Pensions Board 20 July 2021
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Report title	Internal Audit Plan Annual Report 2020 – 2021		
Originating service	Pensions Services		
Accountable employee	Amanda MacDonald	Client Lead Auditor	
	Tel	01902 55 0411	
	Email	Amanda.macdonald@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood	Director of Pensions	
	Tel	01902 55 1715	
	Email	Rachel.brothwood@wolverhampton.gov.uk	

Recommendation for noting:

The Pensions Board is asked to note:

1. The internal audit annual report for 2020 – 2021.

1.0 Purpose

- 1.1 To provide the Board with the outcome of the work programme for internal audit for 2020 – 2021.

2.0 Background

- 2.1 The role of internal audit is to provide the Director of Pensions, Section 151 Officer, the Pensions Committee and the Local Pensions Board with an independent and objective opinion on the Fund's risk management, internal controls and governance and its effectiveness in achieving the Fund's agreed objectives. In order to provide this opinion, we are required to review the risk management and governance process.

3.0 Internal Audit Annual Report 2020 – 2021

- 3.1 A copy of the outcome report is attached at Appendix A.
- 3.2 The report confirms that no significant audit issues have arisen throughout the year and most importantly, where identified weaknesses / improvements have been identified during the course of audit work, management have agreed recommendations.

4.0 Financial implications

- 4.1 Internal audit is a key part of the Fund's governance and financial control framework, and seeks to provide assurance that the Fund's systems, processes and controls are operating effectively and in support of the Fund's overall aims and objectives.

5.0 Legal implications

- 5.1 This report contains no direct legal implications.

6.0 Equalities implications

- 6.1 This report contains no equalities implications.

7.0 Environmental implications

- 7.1 This report contains no environmental implications.

8.0 All other implications

- 8.1 This report contains no other implications to consider.

10.0 Schedule of background papers

- 10.1 None.

11.0 Schedule of appendices

11.1 Appendix A – Annual Audit Report 2020 - 2021

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West Midlands Pension Fund

Internal Audit Annual Report 2020-2021



1. *Introduction*

Our internal audit work for the period from 1 April 2020 to 31 March 2021 was carried out in accordance with the approved Internal Audit Plan. The plan was constructed in such a way as to allow us to make a statement on the adequacy and effectiveness of the Fund's governance, risk management and control processes. In this way our annual report provides one element of evidence that helps to confirm the control environment of the Fund. This is only one aspect of the assurances available to the Fund as to the adequacy of governance, risk management and control processes. Other sources of assurance on which the Fund may rely, include:

- The work of the External Auditors (Grant Thornton)
- The result of any quality accreditation
- Other pieces of consultancy or third- party work designed to alert the Fund to areas of improvement
- Other external review agencies
- Internal compliance

As stated above, the framework of assurance comprises a variety of sources and not only the internal audit service. However, internal audit holds a unique role as the only independent source of assurance on all internal controls. Internal audit is therefore central to this framework of assurance and is required to acquire an understanding not only of the Fund's risks and its overall whole control environment but also all sources of assurance where appropriate. In this way, internal audit will be able to indicate whether key controls are adequately designed and effectively operated, regardless of the sources of that assurance.

The definition of internal audit, as described in the Public Sector Internal Audit Standards, is "Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes".

Internal audit activity is organisationally independent and further details behind the framework within which internal audit operates, can be found in the internal audit charter.

Executive Summary

As the providers of internal audit to the Fund, we are required to provide the Director, Section 151 Officer, Pensions Committee and Board with an opinion on the adequacy and effectiveness of the Fund's governance, risk management and control processes. In giving our opinion it should be noted that assurance can never be absolute. The most that internal audit can provide is reasonable assurance that there are no major weaknesses in governance, risk management and control processes. We have considered:

- All audits undertaken for the year ended 31 March 2021.
- Any follow-up action taken in respect of audits from previous periods.
- Any key recommendations not accepted by management and the consequent risks.
- Any limitations which may have been placed on the scope of internal audit.
- The Fund's Strategic Risk Register.

Internal Audit Opinion

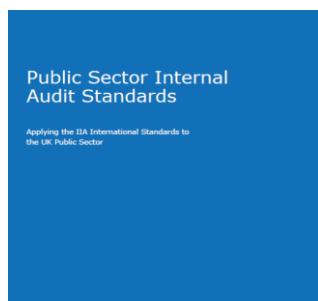
We have conducted our audits in accordance with the Public Sector Internal Audit Standards. Within the context of the parameters set out above, our opinion is as follows:

Based on the work undertaken during the year, the implementation by management of the recommendations made and the assurance made available to the Fund by other providers as well as directly by internal audit, internal audit can provide **reasonable assurance** that the Fund has adequate and effective governance, risk management and internal control processes.

In reaching our opinion, the following factors were taken into particular consideration:

- We have had unfettered access to all records and employees during 2020-2021.
- The need for management to plan appropriate and timely action to implement our and other assurance providers' recommendations.
- Key areas of significance identified as a result of our audit work performed in the year.

Compliance with the Public Sector Internal Audit Standards



The internal audit service follows the Public Sector Internal Audit Standards, and the Code of Ethics that form part of the standards, as laid out in the internal audit charter approved by the City of Wolverhampton Council's Audit and Risk Committee.

Summary of work completed

A detailed written report and action plan is prepared and issued for every review where appropriate. We discuss the report with managers and agree recommendations and target implementation dates.

Further, an audit opinion is provided for each report issued, this sets out our overall opinion regarding the control environment for the area audited. Three opinions are provided:

Limited	Satisfactory	Substantial
There is a risk of objectives not being met due to serious control failings.	A framework of controls is in place, but controls need to be strengthened further.	There is a robust framework of controls which are applied continuously.

2. Summary of work undertaken

Planned audit reviews

The following audit reviews were completed during the 2020-2021 financial year.

Audits Completed	AAN Rating	Recommendations					Level of assurance
		Red	Amber	Green	Total	Number accepted	
Cyber security	High	-	3	6	9	9	Satisfactory
Risk management - governance	High	-	-	5	5	5	Satisfactory
Risk management - investments	High	-	-	4	4	4	Satisfactory
GDPR	High	-	-	7	7	7	Satisfactory
GMP	High	-	-	3	3	3	Substantial
Transfers Out	High	-	-	3	3	3	Substantial

Cyber Security

We reviewed the Fund's procedures to ensure compliance with the Pension Regulator's new single code of practice. A framework of controls governing cyber security was found to be in place. Main systems operate on a network provided by CWC which is subject to external reviews and accreditation. Advice and expertise was provided through CWC's IT Team, who also perform vulnerability scanning and penetration testing, provide reports and any remedial activities that need to be progressed.

Further, cyber risks are considered as part of risk management. However, we found that the cyber security policy was in draft format and required updating to reflect current arrangements. Further the service level agreement with CWC required review. Assurance regarding the security of external providers systems was not routinely obtained. Also, in accordance with the Pension Regulator's requirements, we recommended the development of a digital cyber map for the Fund's digital footprint which will identify where data travels (internally and externally) and is stored to determine vulnerabilities, the impact of breaches and the value of data to criminals. The establishment of a whole Fund wide incident response plan in liaison with CWC has also been agreed .

Recommendations were also made regarding system logon and permission rights, the development of a planned cyber security training and consideration of any insurance vulnerabilities.

All recommendations were accepted by Fund management and agreed implementation dates provided.

Risk Management – Governance

The Fund recently revised its approach to risk management and our review focused upon new procedures which were developed in order to ascertain compliance with CIPFA's publication Managing Risk in Local Government Pension Scheme. During the course of our work we confirmed that the operational approach was consistent with the publication, and risk management information was presented to Trustees. This included new risks, changes to risks and horizon scanning for potential new risks. The risk identification process used a range of sources to inform the risk process and was found to be well integrated into business activity.

However, we found that not all supporting documents and procedures had yet been developed. Overall, it was difficult to identify a "clear thread" regarding Risk Management across Fund documents. A risk management policy setting out the approach to risk across the Fund had yet to be prepared. Further, there was an absence of a framework document for non-investment activities to support the policy. All recommendations have been accepted by management.

Risk Management - Investments

The Fund has developed an Investment Risk and Assurance Framework, which identified the investment governance structure and how the Fund manage and monitor investment risks. This audit assessed the framework against key areas identified in CIPFA's publication Managing Risk in the Local Government Pension Scheme. We found a high level of knowledge demonstrated by staff regarding investment risks and appropriate risks were included in the Investment Strategy Statement.

However, the guidance had not been fully integrated into the framework, it was therefore difficult to evidence and assess the Fund's overall response to investment risks as stated in the CIPFA publication. Recommendations have been made and agreed to ensure the measures required by CIPFA are documented.

GDPR (General Data Protection Regulation)

This review sought assurance that the GDPR Requirements had been fully embedded within Fund procedures, including the effectiveness of the data champion role. From our review, we noted that the Fund had robust processes in place and had continued to make improvements around data protection and employees' understanding of the area. Some enhancements were recommended, in particular, the Fund should complete all of the relevant Information Commissioner Office checklists, to assess overall compliance with all data protection regulations.

GMP (Guaranteed Minimum Pension)

We reviewed the procedures adopted for stage two of the process, ensuring a robust reconciliation and associated investigation of discrepancies was applied between members' records held on internal systems and the data provided by HMRC. We found appropriate evidence to confirm good practice in the management of the process.

This included the identification of external resources to assist in the delivery of the Stage 2 Reconciliation. Regular progress reports were received from the external provider and the contracted service was delivered at the cost agreed. Further, controls were evidenced to ensure

that the external provider did not make incorrect decisions on behalf of the Fund. Also, the Fund received case samples to check and approve where a reconciliation proposal was made by the provider.

Three minor administrative recommendations were agreed with management to further enhance procedures.

Transfers Out

Our review found that procedures for dealing with Transfer Out requests were being dealt with in accordance with the Voluntary Code for Combatting Pension Fraud produced by the Pensions Scam Industry Group. Processes and procedures in place met best practice advice. Training and awareness were taken very seriously and were updated to take account of the common warning signs of a potential scam. Regular checks were made on the Financial Services Register (FCA) and The Pension Regulators' (TPR) website for warning signs of a scam. There was also guidance and warning information on the Fund website. Further, the Transfer Out election member letter had been updated to include the additional risks since Covid-19. We identified some minor issues and made appropriate recommendations to further enhance risk control and operational efficiency.

Follow up of previous recommendations

We also continue to monitor the implementation of previous key recommendations, and an annual review of agreed key actions from reviews is undertaken and reported to management. From our review, we have updated two recommendations where issues have not yet been addressed. It is acknowledged that management were aware of these issues but, due to the unprecedented year resulting from the Covid-19 pandemic and the additional work this caused the issues that remain outstanding were as follows:

- Accounts Receivable – an updated debt policy was required which should also provide an approach for dealing with older debts.
- Treasury Management – a policy to support the management of treasury management activity was also required.

Progress on the implementation of these recommendations will be reviewed as part of ongoing internal audit work.

LGPSC Assurance Work

LGPSC (Local Government Pension Scheme Central) is the company owned by WMPF and partner funds, to manage the pooled assets of the eight midlands Local Government Pensions Schemes. As a member of the Internal Audit Working Group, the following work has also been completed during the year.

Work Completed	Details
LGPSC Ltd Internal Controls Progress Report.	A review of LGPSC Ltd self-assessment of the design, implementation and operating effectiveness of controls within the company.
AAF review (Audit and assurance faculty)	Review of the company interim AAF 01/06 report produced by independent external auditors. This did not identify any significant issues.
Review of the LGPS Governance Report	We reviewed the report produced by Shropshire County Council which assessed the governance arrangements for the pool. A "Good" level of assurance was provided.
Internal Audit Working Group	Continued membership and participation in the partner fund internal audit working group.

On-going assurance work

Counter Fraud Activities

We continue to act as the Fund's key contact for the National Fraud Initiative along with providing details of initiatives put in place, in order to both raise awareness of, and tackle fraud. Fund data was submitted to the NFI in October 2020 and results returned in January 2021, we are currently working with the Fund to investigate the results and ensure appropriate action is taken.

Consultancy and advice work

In addition to the planned audits completed in the year, we have also been involved in consultancy and advice projects, and as part of our ongoing support to the Fund, we completed 23 credit checks using Credit Safe LTD to review individual organisations financial stability when seeking admission to the Fund.

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Agenda Item No: 10

CITY OF WOLVERHAMPTON COUNCIL	Pensions Board 20 July 2021
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Report Title	Customer Engagement Update		
Originating service	Pension Services		
Accountable employee	Simon Taylor Tel Email	Assistant Director (Pensions) 01902 55 4276 Simon.taylor2@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 55 1715 Rachel.brothwood@wolverhampton.gov.uk	

Recommendations for noting:

The Pensions Board is asked to note:

1. The engagement activity and informed service development.
2. Publication of the Funding Strategy Statement effective 1 June 2021.
3. Draft Pensions Administration Strategy and Employer Engagement Roadmap for 2021.

1.0 Purpose

- 1.1 To provide Board with an update of 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.
- 1.2 To also cover more specific elements of employer and member engagement including consultation on the Funding Strategy Statement, Pensions Administration Strategy and Employer Engagement Roadmap.

2.0 Background

- 2.1 One of the Fund's key objectives is to engage to improve outcomes for our customers. In line with this objective, the Fund has published, and keeps under review, a Customer Engagement Strategy, to review satisfaction and help inform improvements to its pension services.

3.0 Member Engagement and Communication

- 3.1 The Member Services team continues to deliver member support via digital channels including member webinars and follow up individual telephone consultations as required. The webinars mirror our normal suite of member presentations and during this reporting period **74** webinars/workshops were delivered to **1,563** attendees. These were followed by **299** individual member telephone consultations. Webinars have been scheduled to enable "real-time" interaction with Fund Officers, at various times throughout the day to accommodate attendance around member work commitments. This delivery and the associated feedback is summarised in appendix A.
- 3.2 During this reporting period the team provided **15** satellite support events to **82** hard to reach members who may not normally be able to access our services due to the nature of their work and location, which might include access to web-based delivery (i.e. computer facilities), working hours or 'satellite' locations.
- 3.3 On the 9th February the Fund presented at the Birmingham Association of School Business Managers group. The Fund is normally asked to attend their annual conference, however this year we have assisted the group via a virtual meeting and provided important updates on topic issues in the pensions industry. Following the success, we then were given the opportunity to present at the West Midlands Bursars Group.
- 3.4 Through the "Be Pension Smart & Take Control of your benefits" campaign the Fund continues to encourage members to view and manage their pension record online using the pensions portal. During this reporting period registrations increased by **3,232** bringing the total pension portal registrations to **108,133**.

- 3.5 The Fund continues to promote aspects of our work via the social media platform LinkedIn. Since the last reporting period a further **5,692** people have interacted with our articles, which bring the total interactions to **14,219** since launch. The Fund has received an increase in followers since its launch by **18%**.
- 3.6 During this reporting period the Fund's member video suite, providing on-demand support and guidance, has been expanded to include three new videos designed to raise awareness of pension scams, encourage members to think about retirement planning and assist members to understand their deferred benefits statements.
- 3.7 Following the Fund's commitment to raise member awareness on the importance of Retirement Planning, in February 2021 we launched our new pre-retirement planning campaign, reaching out to members on their 55th birthday in order to provide them with a toolkit they can use to plan for their retirement. The toolkit includes a bespoke retirement planning video designed by the Fund, a pre-retirement guide and budget planners together with links to access further information and support. **362** members attained the age of 55 during the two months of this reporting period and they received our bulk email. **74%** of these members opened our email and viewed our support.
- 3.8 To raise member awareness of pension scams, the Fund produced a bulk mailing and designed a member video to highlight how to spot the signs of a pension scams. This bulk mailing was sent to **54,046** active scheme members for whom we hold a valid email address. **54%** of these members opened and read our mailing and several new slides have been also developed which are now included in all member webinars.
- 3.9 The Fund produced its annual newsletter for our pensioner members (appendix B) which was sent in print to over **100,000** members along with their annual P60s. To complement the newsletter, we also produced a "*Your pension is safe, we hope you are too*" bulk email which was sent to **35,626** of our pensioner members who we hold valid email addresses for, **70%** of these members read the bulk email and used the signposting that it provided.
- 3.10 As the Fund is committed to providing members with assistance, guidance and support with retirement planning, the Fund has linked-in with the Pension Lifetime Savings Association (PLSA) on their Retirement Living Standards initiative. This means that we are assisting with the research and development of new material and support to help pension scheme members plan for their retirement across a range of occupational pension schemes.
- 3.11 Customer feedback is key to understanding our customer's journey, highlighting our strengths and any gaps in the service we deliver so that we can continually improve the services we offer. Some service enhancements made over the period include:
 - Introducing 'important notes' to advertise key information on the website
 - Making improvements to our 'contact us' form

We are currently collating customer feedback to improve the Pensions Portal user experience. The feedback collated to date has been shared with our software developer, who will identify any developments that can be made.

During the quarter, a number of surveys were issued to members and employers to assess overall satisfaction levels on a wide range of processes. Over the period, our satisfaction levels were measured as 90%.

4.0 Employer Engagement

4.1 Employer Peer Group

4.1.1 During this reporting period the Fund held a virtual Employer Peer Group meeting in March (a further meeting was also held on 30 June 2021, which will be covered in a future report). The meeting was positive with 11 employer representatives present. The content for the meeting included:

- Age 55+ campaign – promotional section delivered in conjunction with member services
- Employer Flexibilities and proposed changes to FSS
- What the future holds from an employer perspective (including Covid-19 resilience) and how the Fund may be able to support where possible
- Keeping Informed: Employer Hub and Web trays, ABS 2021 and Year End requirements
- Annual Peer Group review and feedback

4.1.2 Once again, the meeting was followed by the regular technical group session where attendees are able to raise queries for discussion with each other with support from Fund officers.

4.2 Employer Webinars

4.2.1 The Employer Services team has continued to deliver its new programme of employer education over the quarter with a further 10 virtual sessions delivered to over 190 attendees from 65 organisations, some of whom provide payroll services for many other employers within the Fund. The sessions are free to attend and provide a useful refresher for existing staff or as an introduction to processes for those who are new to Fund administration.

4.2.2 Sessions delivered over the quarter are set out below and will continue to be rolled out over the course of the year. An increased suite of webinars is now available each month and employers are able to easily sign up for via the Fund's website.

- LGPS Basics for Employers
- Pay and service
- Monthly Data Collection
- Refunds
- Deferments

- Retirements
- Early retirement estimates and associated strain costs
- Ill health processing for employers
- TUPE and outsourcing

4.3 Employer Performance

- 4.3.1 Utilising the virtual working arrangements currently in place, the Employer Services team have continued to hold performance meetings with various employers throughout the period. Employer performance is assessed in line with the Fund's Pension Administration Strategy (PAS).
- 4.3.2 During the period the Fund held 10 feedback and performance meetings with 5 major and 2 smaller employers. Across these employers alone these discussions have resulted in the targeted clearance of over 600 possible leavers since the previous quarter (i.e. member records where no data is being received on a monthly basis but where no leaver notification has been made by the employer either), plus significant reductions in error rates across many other areas.

4.4 Employer System Developments: Hub and Webtrays

- 4.4.1 Since the first batch of 60 employers successfully migrated to the new Employer hub on 13 December 2020 the project has now successfully migrated a further 550 employers with over 440 web users ahead of the planned roll out programme which was scheduled to extend until October. It is anticipated that roll out across all employers will be completed well ahead of schedule by August.
- 4.4.2 Considerable engagement is taking place with employers and payroll providers prior to and during go-live in order to clarify user access, including the granting of super user access to enable self-service with respect to the setting up and unlocking of user accounts by employers or their payroll providers.
- 4.4.3 A number of demonstrations are being delivered prior to each go live date to provide initial training. During the quarter 3 demonstrations were delivered to over 50 users. A number of guidance videos and documents are now available on the Fund's website to supplement this training.

4.5 McCloud: Employer Special Briefing Note

- 4.5.1 A Special Briefing Note was issued on 9 April 2021 to all employers providing important information and detailing the specific Fund requirements with respect to the McCloud ruling. The note provided a background to the McCloud remedy, detailed employer requirements and provided information on potential funding implications.
- 4.5.2 A number of supporting documents were issued alongside the note (and posted to the Fund's website) to provide additional support to employers.

4.5.3 The Briefing Note also directed employers towards an online survey for the submission of queries and comments. The responses will be reviewed, and the online FAQs updated periodically to reflect any changes. Following a number of enquiries regarding completion of the data template, the Employer Services team is planning to deliver a McCloud requirements and guidance webinar which will be advertised on the Fund's website and as part of a planned follow up communication to all employers to capture all feedback received.

4.6 Funding Strategy Statement and Employer Flexibilities: Consultation 2021

- 4.6.1 In the March 2021 Funding Strategy Statement (FSS) review, proposed amendments to the FSS were summarised aligning to changes made to the LGPS Regulations 2013 to enable Administering Authorities to implement flexibilities for employers.
- 4.6.2 The revised draft FSS was issued to employers for comment as part of the consultation commencing 12 April 2021 and closing 21 May 2021. As part of the consultation process the Fund engaged with Employer Peer Group and carried out two dedicated briefing sessions, to which all employers were invited. Over 150 employers (representing 20% of the total employer base) were actively engaged in this process with a diverse range of sectors represented. Six formal responses to the consultation were received.
- 4.6.3 In summary, the responses were overwhelmingly positive, noting that the Fund was proposing to implement universally welcome additions to the FSS. Feedback received from employers has been taken on board and to clarify wording within the FSS, with individual responses being issued to each employer, with a revised FSS now in place following completion of the consultation exercise and Pension Committee approval.

5.0 Internal Engagement

- 5.1 Recognising the importance of ensuring internal stakeholders are kept up to date on the Fund's progress and associated developments during the Covid-19 outbreak, particularly with increased remote working, the Fund continues to promote more signposting for Fund staff to wellbeing support which is available to staff across the City via our monthly employee catch up.
- 5.2 To increase internal communication across the Fund and provide insight on the wider pensions industry, the Spring edition of the "[Pensions Post](#)" was issued to staff in April to raise awareness to topical issues in the wider pensions industry and to highlight key projects and achievement across the Fund.
- 5.3 In April the Fund launched its new Intranet site called Pensions People, this has been designed based on feedback from all Fund staff. The Intranet site brings all key guidance and documents together in one simple to access site, the support is split into several areas which include, IT, HR, Governance, Technical and Communications.

5.4 The Fund continues to develop an E-learning platform for scheme members to use, this software will be used to design learning modules for scheme members so they can engage and enhance education around their pension benefits. We will also use this platform to enhance internal communication and staff development by delivering E-learning modules to internal teams on bespoke subjects. We hope to complete the design of our first E-learning module by the end of the next reporting period.

6.0 Future Engagement

- 6.1 **98,168** Deferred Benefit Statements have been produced which were distributed to members from via bulk email from the 7 June. The Fund has also produced **937** paper statements via print for members who have expressed that their preferred communication method is paper.
- 6.2 The Fund is part of the LGA project group along with several other Funds to assist them to revamp their website which will go live towards the end of the year.
- 6.3 Work has commenced on preparation for the 2021 Annual Employer Health check which commenced in June with a staggered roll-out across the employer-base. As in previous years the check asks employers to review and clarify a number of key areas as listed below:
- Active member lists
 - Web user access accounts
 - Employer contact details

6.4 An Employer Financial Health survey has been issued to all employers to help the Fund in assessing the current financial and operational position of the employer, including the ongoing impact of Covid-19 and climate change. Once collated, a summary of the outcomes will be covered in a future report.

7.0 Pensions Administration Strategy Review

- 7.1 Under the LGPS Regulations, the Fund may produce and publish a Pensions Administration Strategy (PAS) and should ensure it is regularly reviewed and revised as appropriate. The PAS sets out a framework for assessing Fund and employer performance standards developed to ensure delivery of a cost-effective and quality pensions administration service.
- 7.2 The Fund published the most recent iteration of the PAS in 2019. The strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies.
- 7.3 Through the PAS the Fund aims to:
- Enable provision of a high-quality pension service to all Fund members
 - Set out the quality and performance standards expected of the Fund and its scheme employers

- Promote good working relationships and improve efficiency of the exchange of information between the Fund and its scheme employers
- 7.4 The PAS is a critical document in outlining responsibilities and setting expectations for both Fund and employer administration performance to ensure delivery of statutory functions and a quality service to members. The strategy enables the Fund to manage and, if necessary, re-charge costs where performance falls below the standards required. The PAS is increasingly significant in the context of greater employer numbers and diversity, the involvement of more payroll providers and greater scrutiny from the Pensions Regulator (tPR). It is also key to efficient record keeping and outlining the support available to employers from the Fund to help achieve the required level of performance.

7.5 Changes to the Strategy and the Employer Consultation

- 7.5.1 The Fund has undertaken an internal review of the PAS, primarily to assess the appropriateness of the strategy following the completion of the first annual cycle of monthly data collection. A key aspect of the review included a comparison of the strategy against the employer and Fund responsibilities set down by the LGPS regulations and to also incorporate the comments of internal audit following their last review. As a result, the revised strategy incorporates changes to policy and working practices which are to be made effective from July 2021, subject to employer feedback as part of the consultation.
- 7.5.2 The updated strategy includes and reflects:
- **Employer Hub:** new requirements regarding self-service aligned to the migration to the new Employer Hub and webtray functionality, including the expectation to regularly undertake a review of web users and active member lists
 - **Annual Employer Health Check:** these have been included as a mandatory responsibility for all participating employers and will incorporate a review of (though not limited to) employer web user access levels, membership profiles and employer contacts held.
 - **Academy Pooling:** requirements and expectations on scheme employers following the change introduced during the 2019 Actuarial Valuation consultation process.
 - **Employer/Payroll Provider education:** an increased focus on the requirement to attend Fund training sessions, particularly for new or underperforming employers.
 - **Employer Charging:** the current structure for poor performance to be reviewed to include associated escalations within the Employer Engagement Roadmap. In particular, consideration to be given to the inclusion of further charges for work carried out by the Fund as the result of employer error or organisational change.

- **Financials:** clear expectations regarding the receipt of timely information to enable efficient allocation and reconciliation of employer contributions.
- **Regulatory Changes:** expectations have been incorporated to reflect the McCloud ruling and associated Fund requirements regarding the submission of data and also the need to report notifiable events to the Fund immediately as a result of the Employer Flexibility legislation.
- **Impacts of Poor Performance:** this section has been expanded significantly to provide increased visibility of the potential impacts failure to comply with both Regulatory and Fund requirements may have.

- 7.5.3 A key suggestion from the 2019 PAS audit report was for greater clarity of employer performance measurements against the roles and responsibilities. As such this iteration of the PAS has established a stronger link between the two areas by combining the two sections together to show the measurement by which each role and responsibility will be assessed where appropriate.
- 7.5.4 In conjunction with the PAS, the Fund will also publish a revised Employer Engagement Roadmap, again subject to consultation with employers. The purpose of the Engagement Roadmap is to outline the framework available to support performance improvement and the steps the Fund will take (including escalation) where any issues with performance are not being addressed and where the engagement and further support is unsuccessful.
- 7.5.5 The draft PAS (Appendix C) and Employer Roadmap (Appendix D) have been issued to participating employers for a four-week consultation period. The Fund will consider the feedback once received from employers and make any amendments as considered appropriate before finalising the document.
- 7.5.6 The Fund opened consultation with all participating employers on 21 June 2021 for a period of 4 weeks closing 16 July 2021.
- 7.5.7 As part of the consultation, the Fund held a briefing session at the Employer Mid-Year Review to further explain the changes and provide employers the opportunities to discuss and raise any queries.
- 7.5.8 As part of the meeting on 23 June 2021, Pensions Committee approved delegation for the PAS and Employer Engagement Roadmap to be finalised by the Director of Pensions in consultation with the Chair and/or Vice Chair of Pensions Committee, following consideration of any feedback received during the consultation.

8.0 Financial Implications

- 8.1 There are financial implications associated with this report in that the PAS includes the Fund's approach to the application of charges and re-charges in the event of non-compliance with key performance standards set out for participating employers.

9.0 Legal implications

- 9.1 The Fund has a legal duty to meet with legislation and statutory best practice, failure to do so may open the fund to challenge from the Pensions Regulator or the Scheme Advisory Board.
- 9.2 The Fund is able to impose penalties on employers (to cover any fines or costs incurred) through its adopted pension administration strategy.

10.0 Equalities implications

- 10.1 The report contains no direct equalities implications.

11.0 All other implications

- 11.1 This report contains no other direct implications.

12.0 Schedule of background papers

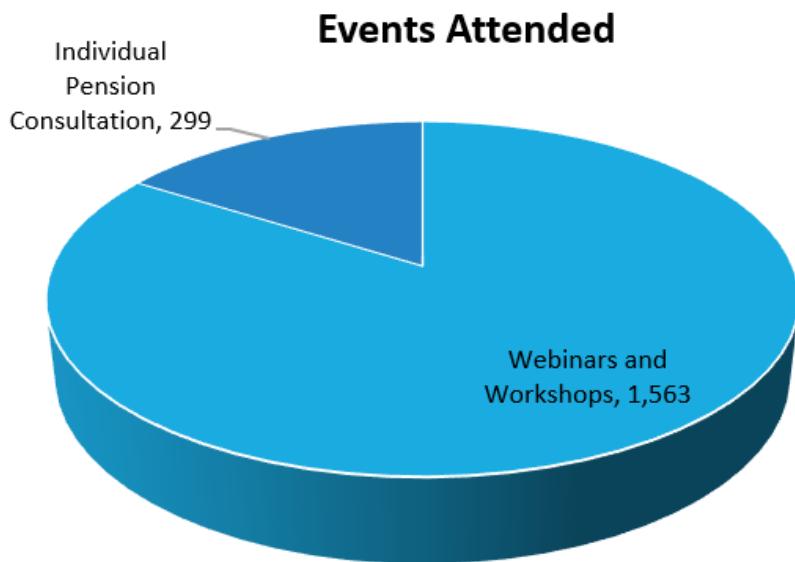
- 12.1 None.

13.0 Schedule of appendices

- 13.1 Appendix A: Events attended and associated feedback Jan – March 2021
- 13.2 Appendix B: 2021 Pensioner Newsletter
- 13.3 Appendix C: 2021 Pensions Administration Strategy
- 13.4 Appendix D: 2021 Employer Engagement Roadmap

Member Services Team – Events Attended

1st January– 31st March 2021



Event Type	Attendance
Individual Pension Consultation	299
Webinars and Workshops	1,563
Total	1,862

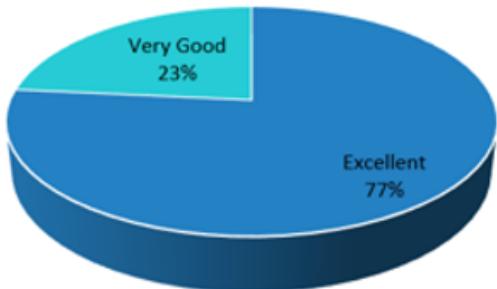
Member Services Team – Presentation Feedback

1st January – 31st March 2021



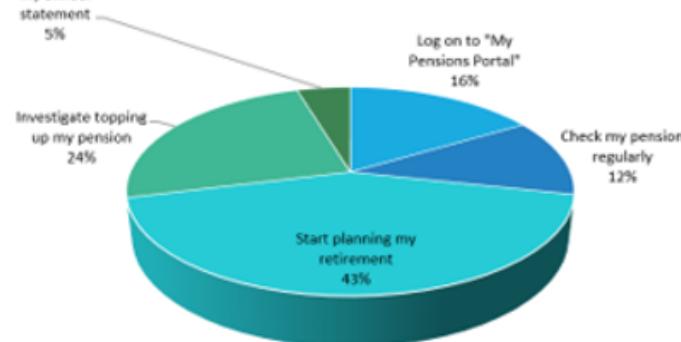
Members feedback on the following areas:

Overall, how would you rate the presentation?

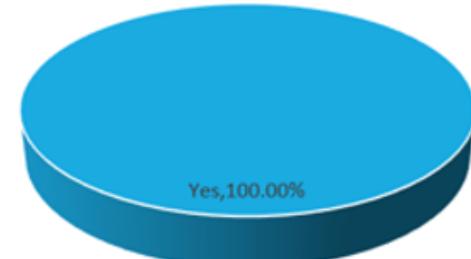


Members surveyed
in January - March
2021

What are you going to do following this presentation?

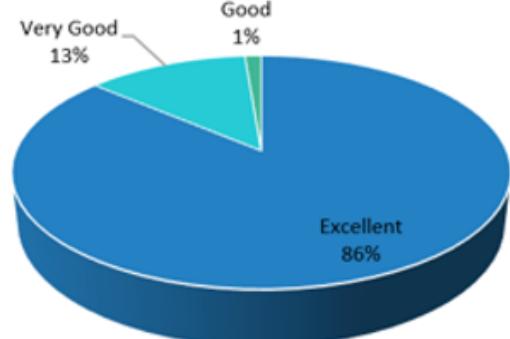


Would you recommend a colleague to attend this type of event?

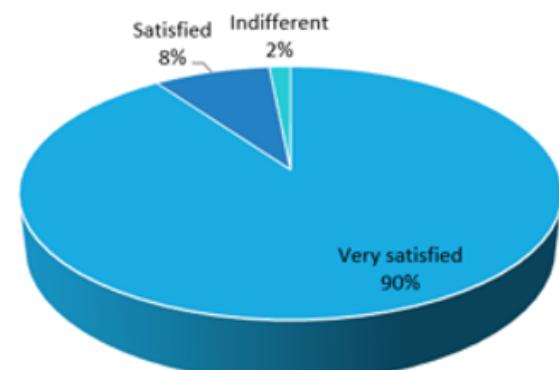


Page 82

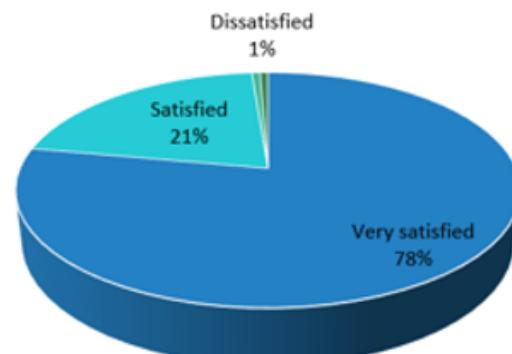
How would you rate the officers general knowledge and skills?



How satisfied are you with your most recent interaction with the WMPF?



How satisfied are you with the overall service you have received from the West Midlands Pension Fund?

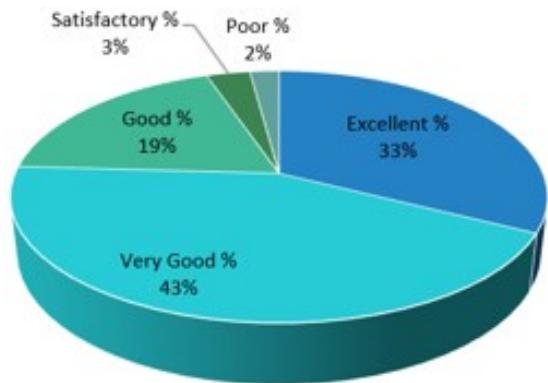


Member Services Team – Webinar Feedback 1st January – 31st March 2021



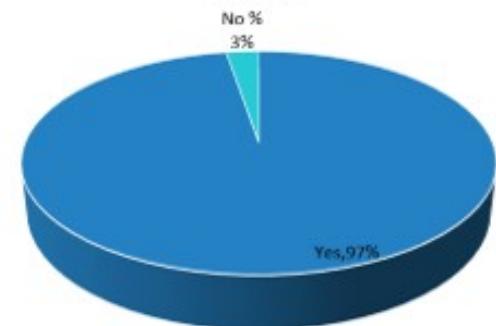
Members feedback on the following areas:

Overall, how would you rate the webinar?

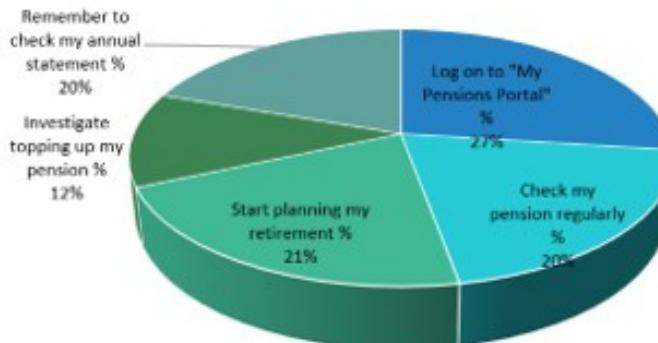


**Members surveyed
in January - March
2021**

Would you recommend a colleague to attend this type of event?



What are you going to do following this webinar?

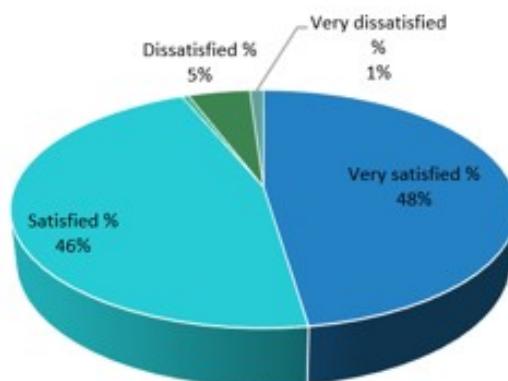


Page 83

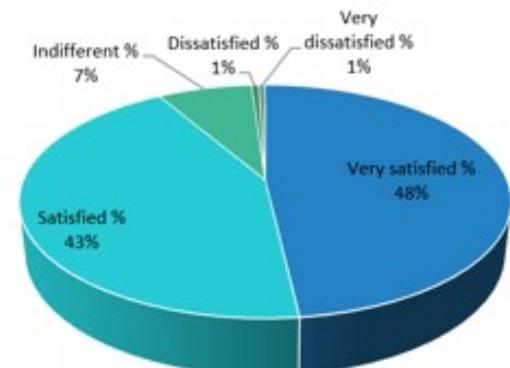
How would you rate the presenters general knowledge and presentation skills?



How satisfied are you with your most recent interaction with the WMPF?



How satisfied are you with the overall service you have received from the West Midlands Pension Fund?



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PENSIONER MEMBER PENSIONSMART

For more information, visit the national Local Government Pension Scheme member's website: www.lgpsmember.org



Welcome to your 2021 Pensioner Member Pension Smart newsletter.

2021/2022 Pension Payment Dates

- 23 April 2021
- 25 October 2021
- 25 May 2021
- 25 November 2021
- 25 June 2021
- 16 December 2021*
- 23 July 2021
- 25 January 2022
- ~~• 25 August 2021~~
- ~~• Please Note early payment of pension in December~~
- ~~• 25 March 2022~~

If your pension payment is on a monthly basis, we will send a payslip when there is a variance of £10 in your net payment and every April. Payslips are available via the Fund's secure online 'My Pensions Portal'. <https://portal2.wmpfonline.com/>

Quarterly pension payments are paid in March, June, September and December.

Yearly payments are paid each March. If you are paid quarterly or yearly, you will continue to receive a payslip which is also available online every time you are paid.

COVID Update – Your Pension is Safe; We Hope You Are Too!

We know that the last year has been an uncertain time for most of us. We want to remind you that your pension is safe and secure. Please rest assured that making payment of your pension on time will always be one of our main priorities. Considering the times we are in and the restrictions which are in place we appreciate that some of our members may benefit from additional support. If you don't have friends, family or neighbours who can support you to get shopping and other essentials, think about using online shopping and prescription delivery services where possible. Anyone making deliveries should leave them on the doorstep or outside.



Charities and local community groups are working hard to try and support people who are having to self-isolate. Across the West Midlands, local authorities have advertised local support available to residents on their websites, please visit the following link for more information <https://www.wmpfonline.com/covid19faq>

We hope that you keep safe and well during these times.¹



Changing Your Bank Details?

When changing your bank account details using the Pensions Portal, please be aware that changes made during the month may not take effect until the following month due to the timing of running the payrolls.



If you have informed the Fund by using your payslip or in writing, please do not close your old account until you have received confirmation from the Fund that the change has been made. Where a change of bank notification is received direct from the banking industry, the Fund will no longer issue paper notifications of these changes.

All changes should have been instructed by our members using the Current Account Switch Guarantee Service and therefore you are aware of the change or it may be an internal change by your bank which does not affect your individual account.



Are Your Nominated Beneficiaries Up To Date?

If you die after drawing your LGPS pension and before reaching age 75, a death grant may be payable. Generally speaking, the death grant is equal to ten times (or five times if you left the LGPS before 1 April 2008) the pension less the amount already paid.

Please log onto Pensions Portal to check if your nomination form is up to date <https://portal2.wmpfonline.com/>

Not sure if you're paying the correct amount of tax?

If you think your tax code may be incorrect or you need more information regarding how HMRC have calculated your tax. Please contact the tax office:



Tel: 0300 200 3300

Write to them:

PAYE & Self-Assessment
HM Revenue & Customs
BX9 1AS

Important Document – P60

Your end-of-year statement (P60) is an important document.

- Monthly paid: P60 issued with your April pension advice slip.
- Quarterly or yearly paid: P60 issued with your March pension advice slip.

Gross Pension Summary

This shows the total amount of pension paid to you in the year. Quote this figure on tax returns.

Tax Summary

This shows the total tax deducted in the year. If you see a – this indicates a refund of tax. Quote this figure on tax returns.

Lifetime Allowance (LTA)

This is a limit on the total amount we can build up in pension without penalty. Here is the percentage that was used by this pension at your retirement date.

The P60 is your summary of pension and tax paid for the year up to 5 April 2021. Please keep your document in a safe place as the Fund cannot provide a duplicate. You will need to use this – please make sure you keep it! As the Fund cannot provide duplicates, these are available on the Pensions Portal.

UK residents: For peace of mind, please use the Pensions Portal to notify the Fund of your change of address or bank details. It is quick and easy and your new address will be verified instantly using the QAS system. Please keep your existing bank account open until your pension payment has been received in your new account.

Every April, your Local Government pension increases with the Consumer Price Index (CPI)



Annual Life Certification – Overseas Members

The Fund undertakes an annual certification process commencing in the Autumn of each year, typically October, for our overseas Pensioners in partnership with an organisation called Target.

Target is a third-party organization who trace and verify scheme members on our behalf, helping to ensure pension scheme data is correct and up to date.

2020 was the first year of us undertaking this arrangement with Target, which has enabled us to engage with an increased number of members and also enhance the opportunities for you to engage with us on this process electronically. We were delighted that 21% of our overseas members successfully utilised this new way of engaging with us, using the app mypensionID.

This exercise will be repeated again in 2021 and as part of this process, you will receive a letter or email from Target asking you to verify your details which can be done either by traditional postal method or via the app mypensionID.



To ensure we can monitor responses and take any amendments to our records, you will be given a timeframe in which to respond. Where a member doesn't respond to the annual certification request, and they have not contacted Target to advise them of an issue regarding meeting the timescales for response then the pension will be suspended until we can verify the scheme member. This is to ensure all pension payments are accurate, please be assured we will not suspend your pension without reasonable justification.

Please look out for an email or letter from Target with their logo on it.



Please be assured that our partnership with Target is fully compliant with the latest data protection legislation, and you can access more information on how we use member data at www.wmpfonline.com/privacynote.

If you would like more information on Target, please feel free to engage via the telephone on +44 (0)1243 608 635 or via their webchat at www.mypensionID.co.uk.

Alternatively, more information can be found at www.wmpfonline.com/target.

Overseas Bank Accounts

Please ensure that you complete the mandate with all the details required, as our overseas provider will reject payments if they are not set up correctly.

Note: we do not have the facility to make advance payments overseas.

Please inform us of your change of bank as soon as possible to prevent any delays in you receiving your pension. Mandates can be downloaded at www.wmpfonline.com/overseasbank.

Alternatively, you can contact us for a form.



Have You Moved Address?

Please ensure that you inform us of your new address as soon as possible, as any returned post received by the Fund will result in the suspension of your pension payments until we have been informed of your new address.

You can update your address on your Pensions Portal account at [//portal2.wmpfonline.com/](http://portal2.wmpfonline.com/)



Scams & Fraud - Be Extra Vigilant!

Scammers are inventive and keep coming up with new ways to con people out of their money. You can protect yourself by being aware of the most common scams, including scams related to coronavirus.

Coronavirus-related scams include:

- People claiming to be able to arrange a COVID-19 vaccine for a fee. The NHS is the only organisation which has access to the vaccine, and will never ask for money.
- Sales of fake products such as face masks, supplements, anti-virus kits and sanitisers, which may be harmful or simply never arrive.
- Bogus healthcare workers who try to gain access to your home by claiming to offer testing for COVID-19.
- People pretending to be from charities offering to do shopping or carry out cleansing tasks.
- Emails asking for donations to the NHS.

Always check the credentials of people or companies who contact you. Take your time before deciding to part with money or information and if possible, seek advice.

Remember – it's okay to say no.

You can find out about the latest scams by visiting the www.independentage.org or calling them on 0800 319 6789, alternatively you may wish to contact a Scams Action adviser at Citizens Advice by calling 0808 250 5050.

Register to view your payslips online and be in with a chance to win a £50 gift voucher!



National Fraud Initiative

The Fund participates in the Cabinet Office's anti-fraud initiative, known as the National Fraud Initiative. For this initiative, the Fund provide details of pensioners and beneficiaries so that they can be compared to information provided by other public bodies.



This will ensure that no pensions are being paid to persons who are deceased or no longer entitled, and that occupational pension income is being declared when housing benefit is applied for.

The details of any local government pensioners who have taken up re-employment are also reported; therefore, it is important that you inform the Fund of any re-employment in local government.

The Fund may share information provided to us with other bodies responsible for auditing or administering public funds in order to prevent and detect fraud.



I can understand my pension properly now and was useful about future income expectations.

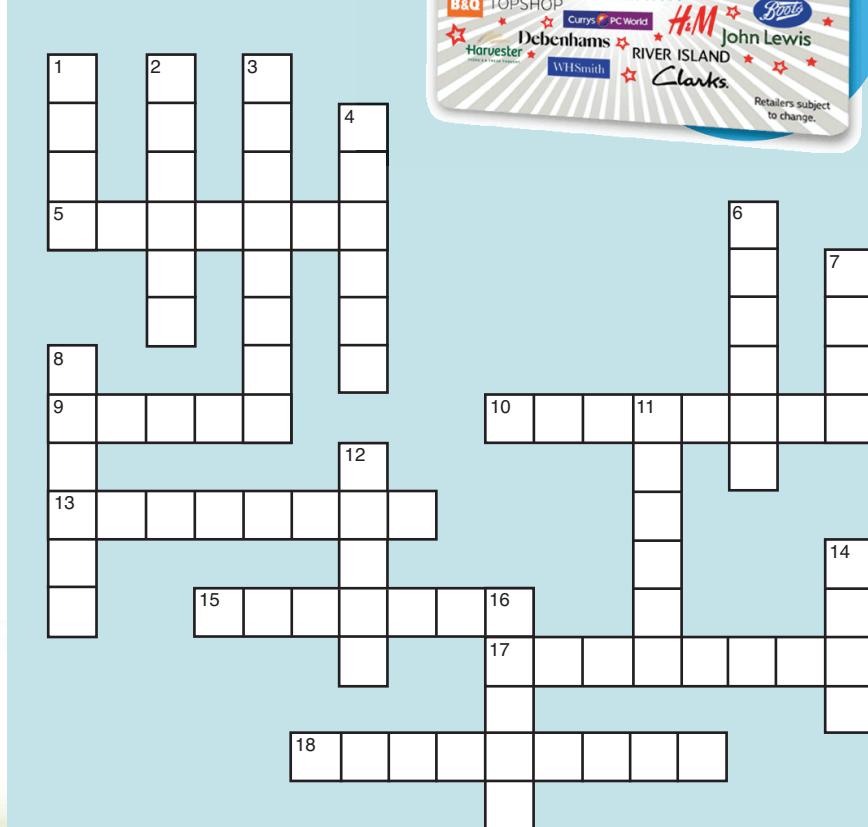
Very clear and straightforward way to calculate and understand the make up of overall benefits.

Gave excellent advice on how much I could expect taking into consideration number of options, etc.

I was confused about my pension but gained really useful advice and information.

Spring crossword competition

Successfully complete and return the crossword below and you



Down:

- 1) Sport with tees
- 2) Fledgling plant
- 3) America's pastime
- 4) _____ egg
- 5) Eating outing
- 6) When spring ends
- 7) Vegetable plot
- 11) One of four in a year
- 12) Breezy
- 14) Flying toy with a tail
- 16) Verdant

Across:

- 5) They're usually found in beds
- 9) Time for showers
- 10) Gloom's opposite
- 13) Yellow spring flower
- 15) Day for diamonds and dreams
- 17) Shower apparel?
- 18) Monarch, e.g.



To enter into the prize draw to win a £25 gift voucher, please provide your name and contact number along with your completed crossword and send it to West Midlands Pension Fund, PO Box 3948, Wolverhampton, WV1 1XP, or email it to wmpfactivemailings@wolverhampton.gov.uk

Full name:

Contact number:



As part of the changes to the LGPS from a final salary to a career average pension scheme in 2014, protections were put in place for members within ten years of retirement. Similar protections were provided in other public sector pension schemes.



In December 2018 the Court of Appeal ruled that this protection is discriminatory on age grounds for members of the Judges' and Firefighters' Pension Schemes, which is also applicable across all public sector schemes. Following this ruling, the Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. This ruling is often referred to as the 'McCloud judgment'.

The Government is still considering exactly what changes need to be made to remove the discrimination from the LGPS and are reviewing responses to their consultation which was undertaken in 2020. The proposed changes would mean that a revised underpin will apply to all members, and the proposals introduce the term "qualifying member" for someone who meets the following criteria, regardless of age:

- were active on 31 March 2012;
- built up benefits in the 2014 scheme; and
- do not have a disqualifying break.

The changes will be retrospective and will apply to anyone who has left, retired or died and who didn't meet the old underpin criteria but meets the new one. In some cases, this will mean retrospectively recalculating benefits for pensioners, and paying arrears and interest. It is expected that the majority of members will not see an increase to their pension, as the CARE scheme for most members is more beneficial, and where this does increase it is likely to be for a small number of members.

If you qualify for protection, it will apply automatically - you do not need to make a claim or contact us. We will contact you when the government puts regulations in place.

For more information, see the frequently asked questions on the national LGPS website
www.lgpsmember.org/news/story/mccloud_qanda.php?7

A screenshot of the official Local Government Pension Scheme (LGPS) website. The header reads 'The Local Government Pension Scheme'. Below the header, there's a search bar and a link to 'Contact your LGPS fund'. The main content area features a section titled 'McCloud court case - FAQs for LGPS members'. It includes a thumbnail image of a person holding a newspaper and a list of frequently asked questions with expandable arrows. To the right, there's a sidebar with 'Useful links' for 'Latest news' and 'Active news'.



Climate Change and Responsible Investment

As one of the largest local government pension schemes in the UK, it is important that the Fund invests its assets in a sustainable manner. This responsible method of investing not only protects the financial returns needed to pay scheme members, but it also recognises the Fund's broader responsibility to communities both locally and around the globe. With this in mind, the Fund has chosen four key themes of engagement to focus on from 2020 into 2023 which it believes reflect this responsibility.

One of the Fund's ongoing engagement themes is climate change. The Fund recognises the risks associated with climate change and the potential for these to impact on the long-term value of the Fund investments, but also the opportunity for

investment reward, for example in green energy investments, particularly during the period of transition to a lower carbon economy. The Fund has currently invested £2.5 billion in sustainable equities and low carbon funds, with further investments into sustainable equities being made towards the year end.

The Fund is pleased to showcase its first climate change video, highlighting the need for action to address climate change on a global scale, and the important role that it can play. This video is part of a new responsible investment series, with more videos to be published online in the coming year.
<https://www.wmpfonline.com/article/8465/Climate-Change>



Signposting Support


**the Money
Advice Service™**
moneyadviceservice.org.uk
0800 138 7777


ageuk.org.uk/care
0800 055 6112


citizensadvice.org.uk
0345 404 0506


**HM Revenue
& Customs**
hmrc.gov.uk
0845 302 1437


Connecting millions to great advice
unbiased.co.uk
0333 271 7513


[gov.uk/browse/working/
state-pension](http://gov.uk/browse/working-state-pension)


www.alzheimers.org.uk
0207 605 4200


Staying in control when you're older
How to avoid being mistreated and what to do if it happens
www.independentage.org
0207 605 4200

If You Need to Contact Us, We Are Here to Help...



<https://portal2.wmpfonline.com/>

www.wmpfonline.com



www.wmpfonline.com/emailus

Dedicated member and portal
helpline: 0300 111 1665



PENSIONS ADMINISTRATION STRATEGY MAY 2021



West Midlands Pension Fund

CONTENTS

1	INTRODUCTION AND REGULATORY CONTEXT	3
2	AIMS	3
3	ROLES AND RESPONSIBILITIES	5
3.1	Scheme Employer	5
3.1.1	Duties, Responsibilities and Measurements	5
3.2	West Midlands Pension Fund	16
3.2.1	Duties, Responsibilities and Measurements	16
4	MONITORING PERFORMANCE	24
4.1	Working with our Employers	24
4.2	Approach to Managing Performance	24
4.3	Policy on Charging Employers for Poor Performance	25
4.4	Penalties for Sub-Standard Performance	26
4.5	Charging Scales for Administration	27
5	FEEDBACK FROM EMPLOYERS	29

1 INTRODUCTION AND REGULATORY CONTEXT

This is the Pension Administration Strategy (PAS) of West Midlands Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS), which is administered by the City of Wolverhampton Council (the administering authority). The West Midlands Integrated Transport Authority (WMITA) merged with the Fund with effect from 1st April 2019 and the roles, responsibilities and performance standards/measurements set out in this strategy apply equally to the WMITA employers.

The PAS is kept under review and revised to reflect changes to LGPS regulations and Fund policies and working practices. This document sets out a framework outlining the policies and performance standards to be achieved by the Fund and employers and is developed through a consultation process, to enable provision of a cost-effective and high quality pension administration service.

The LGPS is a statutory scheme and governed by regulations. The current regulations appertaining to administration are the LGPS Regulations 2013 (As Amended). In discharging their roles and responsibilities under these regulations, the Fund and employers are also required to comply with any pertinent overriding legislation and take appropriate recognition of any regulatory guidance or Code of Practice issued by The Pension Regulator.

An efficient and effective scheme administration service requires the following:

- Clear point of contact, roles and responsibility
- Timely exchange of information and payment of contributions
- Complete and accurate notifications and communications
- Early notification of material changes
- Clear and timely responses to requests and queries

This strategy outlines the performance expected and the monitoring in place to support service delivery

2 AIMS

In line with the Fund's objectives, the aim of the PAS is to partner with our employers to provide a high quality service to our members delivered through efficient working practices.

We do that through detailing the expected performance of the Fund and its employers in meeting both the legal and regulatory duty of scheme administration as set out in the Pension Regulator's Code of Practice.

The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, most notably the timely exchange of accurate information in relation to scheme members.

The primary method of exchange is via the employer hub providing a secure link which can be tracked for audit purposes.

This PAS sets out the expected levels of performance of the Fund and the scheme employers. The strategy provides details about the monitoring of performance levels and the action(s) that could be taken where standards are not met by employers and/or when persistent non-compliance occurs.

The PAS, of which this iteration is effective from July 2021, was introduced in April 2015, with revisions since that date captured in this document. The Fund will continue to keep the strategy and policy document under review and update as required to reflect changes in scheme regulations and Fund working practices.

3 ROLES AND RESPONSIBILITIES

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the LGPS.

In addition, regulatory guidance sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members and prospective scheme members, dependents, other pension arrangements or other regulatory bodies.

3.1 Scheme Employer

31.1 Duties, Responsibilities and Measurements

The tables below set out the function and tasks scheme employers are required to carry out in order to aid the administration of the scheme. Where appropriate, for those tasks which will be routinely measured the method of that measurement is also confirmed.

3 ROLES AND RESPONSIBILITIES

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3.1 Scheme Employer

3.1.1 Duties, Responsibilities and Measurements

The tables below set out the function and tasks scheme employers are required to carry out in order to aid the administration of the scheme. Where appropriate, for those tasks which will be routinely measured the method of that measurement is also confirmed.

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.1	Confirm nominated representative(s) to receive information from the Fund	Change in contacts to be notified to the Fund immediately Contacts to be verified via the Annual Employer Health Check Multi Academy Trusts to provide contact details for Head Office in addition to specific function contacts	Reviewed annually and as required
1.2	Attendance at Employer Coaching and or virtual webinars	On admittance to the Fund, new employers are expected to attend coaching sessions as relevant to their specific role. Attendance may also be requested by a Fund officer based on performance/ compliance levels.	Employer performance to be continually reviewed

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.3	Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute process (IDRP) and provide full up-to-date contact details to the Fund	Notify the Fund within 30 days of becoming a scheme employer or following the resignation of the current adjudicator	Reviewed annually as part of the Employer Health Check
1.4	Notify the Fund of any change to payroll provision	Inform the Fund one month in advance of a change in payroll provider	Reviewed annually as part of Employer Health Check
1.5	Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS ¹	A copy of the policy document is to be submitted to the Fund within one month of the change in policy or within 30 days of becoming a scheme employer	To be reviewed by the Fund as appropriate
1.6	Distribute any information provided by the Fund to scheme members/potential scheme members (e.g., Scheme guides, pension portal promotions, benefit statement production)	Ensure members have access to all material as circulated by the Fund	In a timely manner, as required
1.7	Notify the Fund in advance of any employer initiatives, such as (but not limited to) employer mergers, bulk transfers or change of Academy Trust, policy decisions or practices which could have an impact on LGPS member benefits	Early contact with the Fund is preferable to enable the Fund to discuss and understand the implications	As a minimum, as soon as possible once the decision has been made or initiative/practice has been finalized.

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.8	<p>Inform the Fund regarding a notifiable event which may trigger the requirements for a contribution review between triennial valuations.</p> <p>Such triggers may include (though not limited to):</p> <ul style="list-style-type: none"> • A material change to LGPS membership • A material change in total employer payroll and LGPS pensionable Pay • A change in employer legal status or constitution • Restructuring where there is a significant impact on LGPS membership • A decision to cease business • A decision that will restrict future active membership of the LGPS 	<p>Inform the fund in advance of the event taking place.</p>	Where advance notice is not possible, at least immediately after it is known

¹ For further information on which regulations require a policy, please see Regulation 60 in The Local Government Regulations 2013 (www.lgpsregs.org)

2	Contributions		
	Function / Task	Expectation	Measurement / Review
2.1	Remit employer and employee contributions to the Fund due each month	<p>By 19th of the following month</p> <p>Preferred method of payment is BACS or CHAPS, to include meaningful narrative where possible</p> <p>Payments with respect to Multi Academy Trusts to be aggregated prior to making payment to the Fund</p>	<p>Payment of monthly employee and employer contributions are due under the Pensions Act 2004 and the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014. The Pensions Regulator may be notified if the above requirement is not met</p> <p>In the case of a backdated admission agreement the employer must make payment in full of all contributions due to date once the required legal documents are in place. Payments must then be made as above</p>
2.2	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary	In line with the Rates Adjustment Certificate issued by the actuary following each triennial valuation or following review in line with the LGPS regulations or on commencement as a scheme employer within the Fund as notified in writing	Monthly reconciliations undertaken by the Fund with respect to payments expected vs those received
2.3	Provide a breakdown of monthly employer and AVC contributions for reconciliation against payment ²	By no later than 19th of the following month but preferably at the time of making the payment.	Receipt of breakdown by 19th of the following month

² Breakdown needs to be provided on an individual employer basis where payment is made in respect of more than one participating employer, e.g. where responsible for client payroll)

2 Contributions			
	Function / Task	Expectation	Measurement / Review
2.4	Ensure and arrange for the correct deduction of employee contributions from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave)	As required, typically monthly Eligible members only to be admitted to the LGPS.	Monthly
2.5	Manage the deduction of all additional contributions or amend such deductions, as appropriate	As required	Monthly
2.6	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required	As required, typically monthly	Monthly
2.7	Make additional Fund payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent and a funding strain cost arises	Within 30 days of receipt of invoice from the Fund Where possible, a remittance advice to be issued to: WMPFAccountReceivable @wolverhampton.gov.uk	To be reviewed by the Fund as appropriate
2.8	Respond to Fund queries regarding payments received	Respond to queries raised by the Fund regarding payments in order for these to be allocated. Where the query is relating to a rejected or aborted monthly submission file, resubmission of the file to occur within 10 working days of receipt of the query to prevent delays to allocation	Within 10 working days of receipt of query

3	Contracting out of service		
	Function / Task	Expectation	Measurement / Review
3.1	Notify the Fund of the contracting out of services which will involve a TUPE transfer of staff to another organisation so that information can be provided to assist in the decision	Where possible, three months prior but at the latest the point of deciding to tender.	Three months prior to the contract commencement date
3.2	Work with the Fund to arrange for an agreement or other such contract and documentation as required, to be put in place when contracting out a service, and assist in ensuring it is complied with	Three months in advance of the date of admission	Three months prior to the contract commencement date
3.3	Notify the Fund if the employer ceases to admit new scheme members or is considering closing membership of The Fund	Inform the Fund of any decision made regarding admittance (Early discussion with the Fund by a terminating employer is encouraged)	Immediately once decision is made

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.1	<p>Provide the Fund with the following member information on one monthly file monthly (via the employer hub) and ensure optimum accuracy of monthly data files received:</p> <ul style="list-style-type: none"> • New joiners • Changes in employees' circumstances which may impact Fund benefits (eg. Movement in and out of the 50/50 scheme, marital or civil partnership status, maternity, paternity, career break, etc). • Employee and employer contributions and earnings 	<p>On a monthly basis, by the 19th of the following month, as part of the submission upload via the employer hub.</p> <p>Where any payment of contributions due is made prior to the 19th of the following month it would be preferable for the data to be submitted at the time of making payment</p>	<p>Monthly data file to be received by the 19th of the following month.</p> <p>Less than 5% of the active member count as at 1 April to error on import into the pension administration system</p>
4.2	Employers must ask members for a statement in writing listing all previous periods of employment	Members must be issued with a form A1 within three months from the date the person becomes a member	
4.3	Rectify monthly data errors	The rectification of a monthly data file where it has been necessary to return the file due to data inaccuracies	Within 20 days of receipt of the returned file/feedback

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.4	Produce an estimate of member benefits prior to approving retirements on the grounds of redundancy to establish any associated costs	Early Retirement Costings to be calculated using the online facility or by contacting employer services where the functionality is unavailable	Prior to the redundancy being approved by the employer to avoid any subsequent dispute with the Fund over associated costs
4.5	Notify the Fund (via employer hub) when a member is due to retire including an accurate assessment of final pay details and authorisation of the reason for retirement	Notify the Fund when a member is due to retire: up to one month following the date of retirement if the date of retirement is before normal pension age (NPA) or; ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA) ³	Notify the Fund when a member is due to retire: up to one month following the date of retirement if the date of retirement is before normal pension age (NPA) or; ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA) S4 form to be submitted via employer hub
4.6	Notify the Fund (via employer hub) when a member leaves employment including an accurate assessment of final pay details using the method stipulated by the Fund	Within 30 days of month end of date of leaving, S4 early leaver form (S4EL/OPT) to be submitted via employer hub ⁴ Where the member is subject to TUPE this should be not be confirmed via an S4	Within 30 days of month end of date of leaving S4 form to be submitted via employer hub

³ Notification should not be given prior to the final earnings being known to avoid recalculation of member benefits⁴ On receipt of the appropriate S4 notification, where data is incomplete or inaccurate this may lead to delays in processing by the Fund should queries need to be raised

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.7	Provide responses to enquiries regarding submitted member notifications	Respond to enquiries from the Fund in regard to member notifications and submitted forms (i.e S15, N15 etc via email or via the webtray functionality)	Within 10 days of receipt of enquiry
4.8	Notify the Fund (via employer hub) of the death of a scheme member	As soon as practicable, but within a maximum of ten days of the employer being notified, S4 retirement/ death in service form (S4RB) to be submitted via employer hub ⁴	Within 10 days of notification
4.9	Review payment of Tier 3 ill-health benefits	After benefits have been in payment for 18 months	After benefits have been in payment for 18 months
4.10	Completion of the Annual Employer Health Check	Respond to the Funds communication with any changes and amendments within one month of receipt of the request (to include but not limited to a review of employer hub users, contact details and active member lists)	Annually

⁵ Please refer to the **Fund's website** for more detailed guidance for requirements relating to the McCloud judgement

4 General administration and change notifications in relation to active members			
	Function / Task	Expectation	Measurement / Review
4.11	Self-review of performance and data quality via the employer hub	Regularly utilise the WMPF active member function and review the Employer dashboard via the employer hub	At least annually, where active member count is less than 1,000 Quarterly where active member count is over 1,000
4.12	Provision of data appropriate to the McCloud ruling 3	Submission of all data required to enable the necessary checks to be carried out to enable an underpin check to be carried out with respect the McCloud judgement	By 31st October for all data up to 31st March 2021 By 31st May 2022 for all data required for the period 1st April 2021 to 31st March 2022

Page 106

IDRP			
	Function / Task	Expectation	Measurement / Review
5.1	Notify the Funds Compliance team of the receipt of a complaint under the IDRP process	Notify the Fund on receipt	Within two days of receiving the compliant
5.2	Notify the Funds compliance team that the first stage decision has been issued	Notify the Fund once issued	Within five days of issuing the decision
5.3	Timeframe for resolution of IDRP within two months	Notify the fund if timeframe is not going to be met	Notify the Fund immediately when known the original time frame will not be met
5.4	Respond to Fund enquiries	Assist with enquiries where the Fund is dealing with stage 2 IDRP	Within five days of receipt of enquiry

6	Employer Hub User Access		
	Function / Task	Expectation	Measurement / Review
6.1	Creation of new employer hub users by superusers	Superusers to assist with the set-up of new users within their organisation	As required
6.2	Maintenance and modification of existing employer hub users	Superusers to assist other users with maintenance of web accounts (e.g. Change access level, rest passwords)	As required
6.3	Verification of employer hub users by superusers	Employer hub superusers to regularly review user access lists using self-serve functionality (WMPF Managed User report)	At least annually via the Employer Health Check but also periodically by the employer to ensure accurate access is held
6.4	Revocation of employer hub users no longer required and/or employed	The fund to be notified immediately when access is no longer required by a user	Immediately on occurrence
6.5	Employer hub usage policy	Regular use of the employer hub in order to perform administration duties relevant to WMPF	At least annually. Where account remains dormant for 12 months, access may be automatically revoked by the Fund following written warning being issued

3.2 WEST MIDLANDS PENSION FUND

3.2.1 DUTIES, RESPONSIBILITIES AND MEASUREMENTS

In setting the expectation of employers, the Fund recognises that the relationship and delivery of services, is also reliant on the Fund's performance and duties to its employers.

The table below outlines the key responsibilities of the Fund, what actions it will take and the timescales of its own performance in delivering the service to members and employers. It is focused on the key activities that scheme employers and scheme members are involved in and should not be viewed as an exhaustive list.

The Fund routinely reviews performance across all areas including the PAS, which is monitored and reviewed by the Pensions Committee and Local Pensions Board. Regular reporting is undertaken, and performance is also reported annually in the Fund's annual report and accounts. Where the function is routinely measured using the Funds key performance indicators the method of that measurement is also confirmed below.

1	General Information		
	Function / Task	Expectation	Measurement / Review
1.1	Regularly review the Fund's PAS and consult with all scheme employers	In advance of the policy being adopted and following consultation taking place during the year of the revision	Annual review
1.2	Regularly review the Fund's Funding Strategy Statement as required, not least with each triennial valuation, following consultation with scheme employers and the Fund's actuary	Publish by 31 March following the valuation date or as required	Annual review
1.3	Regularly review the Fund's Communication Policy Statement	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee	Annual review

1 General Information			
	Function / Task	Expectation	Measurement / Review
1.4	Regularly review the Funds termination policy statement and publish as appended to the Funding Strategy Statement	Within 30 days of any changes being made to the policy	Annual review
1.5	Review and communicate the Funds publications listed below: <ul style="list-style-type: none"> • Annual report • Annual Statement of accounts • Governance and compliance statement 	By 31 October following the year-end	Annually, no later than 31 October
2 Contribution Requirements			
	Function / Task	Expectation	Measurement / Review
2.1	Consult with employers on the outcomes of the triennial valuation	At least three months in advance of the signing of the final rates and adjustment certificate	As part of the triennial valuation consultation period.
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date	At least six weeks before the actuary signs off the rates and adjustment certificate	As part of the triennial valuation cycle.
2.3	Notify new scheme employers of their contribution requirements	The latter of within six weeks of receipt of the notification of admission application or commencement as a scheme employer	To be reviewed by the Fund as appropriate

3 Support for Employers			
	Function / Task	Expectation	Measurement / Review
3.1	Employer Helpline	Dedicated helpline: Monday – Thursday 8.30 am – 5.00 pm Friday 8.30 am – 4.30 pm	>85% of calls received to the employer helpline to be answered
3.2	Email/Web enquiry support	Fund to support with general employer queries	10 working days from receipt of enquiry
3.3	Employer Peer Group	Quarterly meetings to be held each year between employer representatives and at least 2 Fund officers	Quarterly
3.4	Employer Newsletters	Quarterly briefing notes to be issued plus bespoke editions as required focusing on topical issues	Quarterly and, as required
3.5	Face-to-face meetings	Whole employer meetings to be held twice yearly One-to-one engagement with employers to discuss feedback and performance as required and appropriate	As required but with all employers invited to at least 2 meetings each year
3.6	Online support	Online support to be reviewed and maintained in order to remain accurate and relevant	Continual review
3.7	Member services presentations and roadshows	Regular presentations to be made available for employers to facilitate for members.	Largest 35 employers (based on active member count) plus at least 15% of all other employers annually

3	Support for Employers		
	Function / Task	Expectation	Measurement / Review
3.8	Organise and provide webinars on the roles and responsibilities of an employer in the Fund	Monthly webinars to be scheduled. Bespoke sessions can also be made available on request	At least two employer webinars to be scheduled each month
3.9	Notify scheme employers and scheme members of changes to the scheme rules	As per disclosure requirements with inclusion of an overview in the Employer Brief	Continual review
3.10	Provide a facility (via employer hub) for employers to calculate estimates and early retirement costs for active members	Functionality to be available to enable employer self-service at all times with periods of downtime to be monitored by WMPF systems support and any issues addressed immediately	Continual review
3.11	Production and maintenance of an IDRP employer guide	On an ongoing basis	Annual review

Page 11

4	General administration and member communications		
	Function / Task	Expectation	Measurement / Review
4.1	Produce annual benefit statements for active members as at 31 March and deferred members as at pensions increase date in April	By 31 August following the year-end	Annually
4.2	Produce and issue pension savings statements each year to members who have exceeded their annual allowance	By 6 October (provided receipt of all relevant information from scheme employer) following the year-end	Annually

4	General administration and member communications		
	Function / Task	Expectation	Measurement / Review
4.3	Publish and keep up to date all forms required for completion by scheme members or employers	Within 30 days from any revision	As required
4.4	Provide feedback on errors contained in monthly data submission files	Within 20 working days of the later of the 19th of each month or the date the file is received by the Fund	Quarterly review of KPI reported Pension Committee and/or Pension Board

5	Processing Scheme member records and benefits		
	Function / Task	Expectation	Measurement / Review
5.1	New Joiners		
	Set up a new starter and provide statutory notification to the member	Member Record created and confirmed	Within 20 days of receipt of correct data file from a scheme employer
5.2	Transfers		
	Transfer in quotations processed	Quotation and paperwork issued	Within ten days of receipt of all the required information
	Transfer notification of transferred in membership to be notified to the scheme member Transfer out quotations processed	Member notified of completion of transfer in Quotation and paperwork issued	Within ten days of receipt of payment Within 20 days
	Transfer out payments processed	Payment made	Within ten days

5 Processing Scheme member records and benefits			
	Function / Task	Expectation	Measurement / Review
5.3 Additional contributions			
	Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs), including required information to enable deductions to commence	Arrange deduction of member payments with employer	Within ten days of receipt of election from a scheme member
	Process scheme member requests to pay/ amend/ cease additional voluntary contributions (AVCs)	Arrange deduction/cessation of member payments with employer	Within five days of receipt of request from a scheme member
5.4 Leavers			
	Deferred benefits calculated and confirmed to member	Confirm member benefits	Within 15 days of receipt of all necessary information
	Refund details calculated and issued	Confirm member benefits	Within ten days of receipt of all necessary information
	Refund payments	Make payment to member	Within five days of receipt of all necessary information from member
5.5 Deferred into payment			
	Provision of deferred retirement options to member	Deferred retirement quotation issued to member	Within 30 days of the member's eligible payment date or receipt of request from a member
	Deferred retirement benefits processed for payment following receipt of election	Payment commences	Lump sum payment within five days of receipt of all necessary documentation First pension payment on next available payment run

5 Processing Scheme member records and benefits			
	Function / Task	Expectation	Measurement / Review
5.6 Retirements			
	Provision of retirement options to members	Retirement quotation issued to member	Within 15 days of receipt of all necessary information
	New retirement benefits processed for payment following receipt of election	Payment commences	Lump-sum payment within five days of receipt of all necessary documentation First pension payment on next available payroll run
5.7 Deaths			
	Acknowledgement of a death	Appropriate acknowledgement issued	Within five days of receiving the notification
	Notification of benefits payable to dependents	Confirm benefits payable	Within five days of receiving the required information
	Payment of death lump-sum will be made information	Payment made	Within ten days of receipt of all the required information
5.8 Customer service			
	Member Helpline	Dedicated helpline: Monday – Thursday 8.30 am – 5.00 pm Friday 8.30 am – 4.30 pm	>85% of calls received to the customer helpline to be answered
	Provide an answer/ acknowledgement to an enquiry from a scheme member/ personal representatives/ dependents and other authorised persons	Appropriate response issued	Within ten days from receipt of enquiry

5	Processing Scheme member records and benefits		
	Function / Task	Expectation	Measurement / Review
5.8	Customer service		
	Acknowledge member complaints on initial receipt	Appropriate response issued	Within five days of receipt
	Issue full response to member complaints	Appropriate response issued	Within 20 days of receipt
	Monitor IDRP cases and target completion of stage 1 and stage 2 reviews	Within two months. For further information, please see the Fund's IDRP policy	Within two months
	Acknowledge employer complaints on initial receipt	Appropriate response issued	Within five days of receipt
	Issue full response to employer complaints	Appropriate response issued	Within 20 days of receipt

4 MONITORING PERFORMANCE

4.1 WORKING WITH OUR EMPLOYERS

The Fund recognises that engagement is key to helping us understand our employers' individual circumstances, their challenges and their outcomes. Engaging with employers helps to build positive working relationships and ensures processes create efficiencies and better outcomes for the Fund, our members, and employers. The consistent application of standards across all employers enables fair and value for money service.

The Fund will seek to work closely with employers when identifying areas of poor performance. At the earliest opportunity, the Fund will provide training and development to aid improvement of service levels in the future. Where performance issues are identified, in the first instance,

the Fund will work to resolve the issues informally. However, where this is not possible and persistent sub-standards occur (with no measurable improvement demonstrated by the employer), additional steps may be taken by the Fund in line with its powers under the LGPS Regulations 2013.

The Fund aims to meet the training and development needs of its employers using (but not limited to) its employer education programme, quarterly bulletins, website guidance and through day-to-day contact via email and telephone. There is also an open invite to request a meeting with a member of the Employer Services team, subject to notice, to discuss any aspect of co-operation, expectations and responsibilities.

4.2 APPROACH TO MANAGING PERFORMANCE

Ensuring compliance with the LGPS regulations and this administration strategy is the responsibility of the Fund and scheme employers. This section describes the ways in which performance and compliance will be monitored.

The Fund and scheme employers are to ensure that all functions and tasks are carried out to the agreed quality standards. On a regular basis, the Fund will monitor, measure and report on both the Fund's and scheme employers' compliance with the agreed service standards outlined in this document. Employers are encouraged to review their own performance using the self-service tools and dashboards available via the employer hub.

The Fund will undertake a formal review of performance against the PAS on an annual basis and liaise with employers in relation to any concerns on performance. The Fund monitors its own performance against key performance indicators. Monitoring occurs on a monthly basis and is reported to the Fund's Pensions Committee on a quarterly basis. The performance of scheme employers against the standards set out in this document are incorporated into the reporting to the Committee, as appropriate, to include data quality. The Fund will also report back to employers, where appropriate about their individual performance, identifying any areas for improvement including outstanding data items.

Where persistent and ongoing failure occurs in relation to administration requirements and no improvement is demonstrated and/or willingness to resolve the identified issues is shown by an employer following the Fund taking any appropriate steps as set out in its Employer Engagement Roadmap,, the following sets out the steps that will be taken in dealing with this situation:

- Write to the scheme employer, setting out area(s) of non-compliance with performance standards and offer support and, where applicable, request attendance at a training/coaching session
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the scheme employer, or no response is received to the initial letter, the scheme employer will be asked to attend a conference call/meeting with representatives of the Fund to discuss area(s) of non-compliance with performance standards and to agree an action plan to address them. Where appropriate, the originating employer will be informed and expected to work with the Fund to resolve the issues.
- If no improvement is seen within one month or a scheme employer is unwilling to attend a meeting to resolve the issue, the Fund will issue a formal written notice, setting out:
 - the area(s) of non-compliance with performance standards that have been identified;
 - the steps taken to resolve those area(s); and
 - provide notice that the additional costs will now be reclaimed.
- An invoice will be issued detailing the additional cost incurred, taking account of time and resources in resolving the specific area(s) of poor performance and in accordance with the charging scale set out in this document. A report will be presented annually to the Pensions Committee detailing charges levied against scheme employers and outstanding payments.
- If poor performance continues and impacts the Fund's ability to perform statutory functions and/or measures are not being taken by the employer to address this, the Fund may need to report the employer to The Pensions Regulator.

4.3 POLICY ON CHARGING EMPLOYERS FOR POOR PERFORMANCE

The LGPS regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that scheme employer. Where any such additional costs are to be recovered by the Fund, written notice will be provided stating:

- the reasons that the scheme employer's poor performance contributed to the additional cost;
- the amount of the additional cost incurred;
- the basis for calculation of the additional cost; and
- the provisions of the administration strategy relevant to the decision to give notice.

It is the policy of the Fund to recover additional costs incurred in the administration of the scheme as a direct result of the poor performance of any scheme employer (including the administering authority). With the objective of ensuring fairness across employers in avoiding other employers paying more to cover the higher administration costs incurred by others.

Please note that where an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment will be charged accordingly. This includes charges and recharges levied under this policy.

4.4 POTENTIAL IMPACT OF SUB-STANDARD PERFORMANCE

Item	Impact
Failure to make payment of monthly contributions and/or provision of breakdown of contributions for reconciliation against payment	<p>The Fund will be unable to prepare cashflow information to facilitate the provision of annual accounting standards (FRS102, IAS19) by the Fund actuary or any other actuarial firm</p> <p>Impact on contribution rates set at proceeding triennial valuation</p> <p>Report to be made to the Pensions Regulator</p>
Failure to submit monthly data and leaver notifications and/or respond to Fund queries regarding associated data issues	<p>Inability to produce member benefit statements</p> <p>Inaccurate data used in triennial valuation and subsequent impact of contribution rates set</p> <p>Delays in processing member requests for information and calculation of benefits on leaving</p>
Failure to maintain up to date contact information	<p>Communications and important messages regarding changes may not be received</p>
Late notification of new contracts to the Fund by the employer and/or ceding authority	<p>Potential Trade Union involvement</p> <p>Breach of law if contribution deducted and agreement not sealed</p> <p>Members not covered by Death in Service benefits</p> <p>Increased costs due to delay in application being received</p>
Failure to comply with McCloud data provisions in line with Fund and regulatory requirements	<p>Employer Liabilities may be understated</p> <p>Member benefits may be incorrect</p>
Failure to notify the Fund of any Notifiable Events	<p>Potential report to the Pension Regulator</p> <p>Liabilities are under/over stated resulting in an incorrect contributions being paid</p>

4.5 CHARGING SCALES FOR ADMINISTRATION

The table below sets out the charges which the Fund will levy on a scheme employer who fails to meet the standards required. Each item is referred to in the 'Scheme Employer Performance Measurement' section of this document

1 Payment of contributions	
Payment of primary rate contributions Payment of monthly employee and employer contributions ⁶ in full by the 19th of the following month (but by the 22nd of the month where payment is made electronically)	£100 per occasion plus interest ⁷ Thereafter for each working day the payment remains late an additional charge of £10 will be applied.
Payment of secondary rate contributions Payment of deficit contributions either: <ul style="list-style-type: none"> • In advance at the commencement of each scheme year, or; • Monthly alongside primary rate contributions by the 19th of the following month (but by 22nd of the month where payment is made electronically) • In full by 31st October (academies only) An election should be made during the triennial valuation consultation period regarding the method of payment	Interest will be charged in accordance with Regulation 71 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent on a day to day basis from the due date to the date of payment and compounded with three monthly rests.

⁶ Future service contributions including additional contributions, eg, APP and APCs

⁷ Interest will be charged in accordance with Regulation 71 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent

2 Monthly data collection

Timeliness

Comply with each of the following requirements:

- Submission of the member data file by 22nd of the following month
- Submission of the web remittance advice by 22nd of the following month

£50 for each month the data file and/or web remittance advice is received after 22nd (ie, both items must be received so as to incur no penalty). There after for each monthly data file the charge will increase as follows:

- 5p per member⁸ per working day late for the first month following the deadline
- 10p per member⁸ per working day late for the second month following the deadline
- 15p per member⁸ per working day late for the third month following the deadline and every month thereafter

A minimum daily rate will be set at:

- £5 per day for the first 30 days following the deadline
- £10 per day for the second 30 days following the deadline
- £15 per day for the third 30 days and thereafter following the deadline

Assessment of the overall charge will be made in aggregate following year-end

Data quality⁹

Quality of the information provided to be below the acceptable tolerance level set at 5% of the employer active member count³

Errors include but not limited to missing members, missing new joiner flags, incorrectly flagged leavers/TUPE

The Fund will recover costs for the work involved to resolve these errors. Costs will be based on officer hourly rates and will be determined based on the resources required to address errors above the tolerance in aggregate over a 12-month period

⁸ For the purposes of monitoring and the application of charges the active member count will be set as at 1 April of the monitoring period (ie, based on the monthly data file for the 1 April in the monitoring period)

⁹ A file will be rejected for one or more of the following reasons:

- Incorrect file layout
- Data formatting issues, eg, mandatory fields not populated, inclusion of incorrect characters, ie, speech marks, etc.
- The key financials in the data file do not balance with the final statement

3 Other	
Bulk amendments Bulk member record corrections or amendments of member records en masse as a result of (but not limited to) employer changes, mergers, initiatives, policy decisions or prior incorrect notifications	The Fund will recover the cost for the work involved based on officer hourly rates
Incorrect Scheme Member cases Incorrect admission to the Fund where the member was eligible to join and should have been offered alternative pension scheme membership (eg, TPS, USS)	A charge of £250 for each incorrectly admitted member plus recovery of the work involved based on officer time
Leaver Rollbacks Incorrect submission of an S4 leaver notification where the member has either, not left or has been subject to TUPE	A charge of £50 for each incorrectly submitted leaver notification plus recovery of the cost for the work involved based on officer hourly rates where there are additional effects on processing (such as the reversal of aggregations)
Provision of Replacement member ABS Provision of replacement ABS due to submission of incorrect FTE resulting in inaccurate member ABS being produced as part of the annual cycle	A charge of £250 for each occasion plus recovery of the cost for the work involved based on officer hourly rates.
Other rectification work Any other significant work the Fund is required to carry out in order to rectify errors caused a result of employer error	The Fund will recover the cost for the work involved based on officer hourly rates.

5 FEEDBACK FROM EMPLOYERS

Employers who wish to provide feedback on the performance of the Fund against the standards in this administration strategy should email comments (noting PAS feedback in the email subject) to wmpfemployerliaison2@wolverhampton.gov.uk

West Midlands Pension Fund
PO Box 3948
Wolverhampton
WV1 1XP

DRAFT



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 to 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

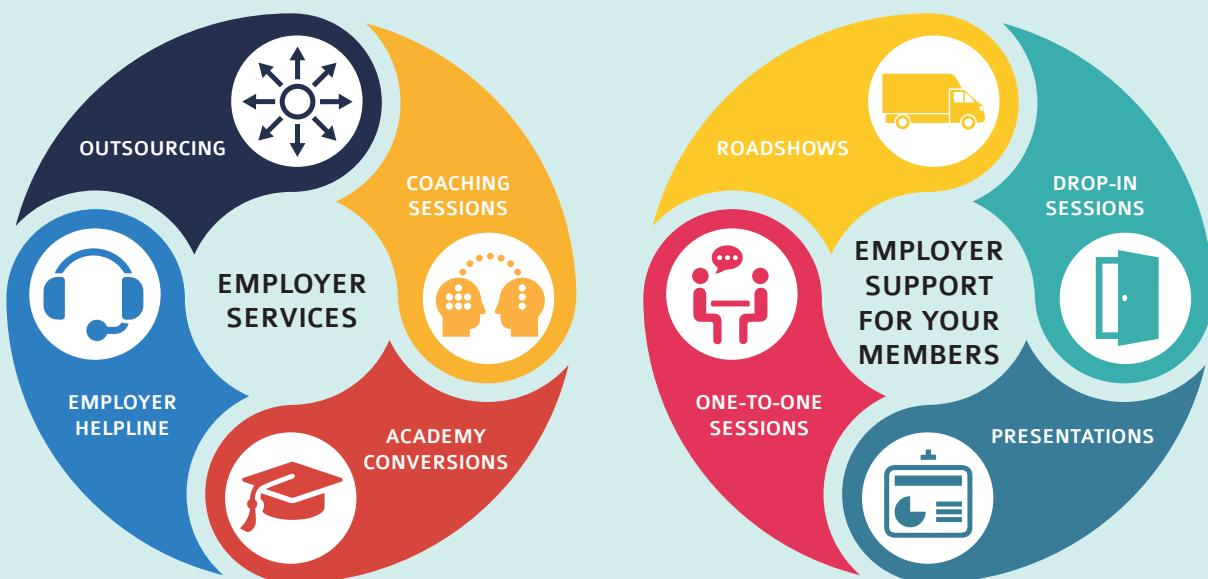
- Pension Administration Strategy (PAS)
- Customer Engagement Strategy
- Customer Engagement Plan
- Communications Policy Statement
- Corporate Plan

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/schemeregulations/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, if 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

West Midlands Pension Fund

PO Box 3948
Wolverhampton
WV1 1XP

Agenda Item No: 11

CITY OF WOLVERHAMPTON COUNCIL	Pensions Board 20 July 2021
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Report Title	Pensions Administration Report from 1 January to 31 March 2021		
Originating service	Pension Services		
Accountable employee	Amy Regler Tel Email	Head of Operations 01902 55 5976 Amy.Regler@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 55 1715 Rachel.Brothwood@wolverhampton.gov.uk	

Recommendations for noting:

The Pensions Board is asked to note:

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

1.0 Purpose

- 1.1 To inform Board of the routine operational work undertaken by the pensions administration service areas during the period 1 January to 31 March 2021.

2.0 Background

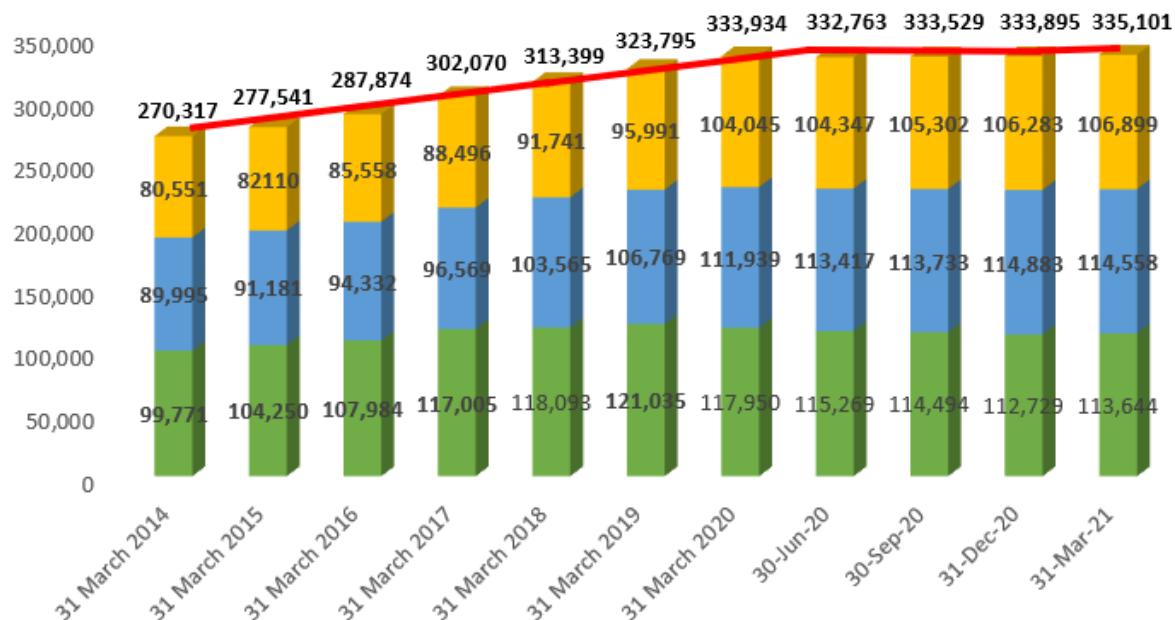
- 2.1 The Fund provides a pension administration service covering employer, customer and member services, data processing, benefit operations, payroll and systems/technical support. A report is provided to Board on a quarterly basis to assist monitoring of the activity and performance of these functions during that period.

3.0 Scheme Activity

3.1 Membership Movement – Main Fund

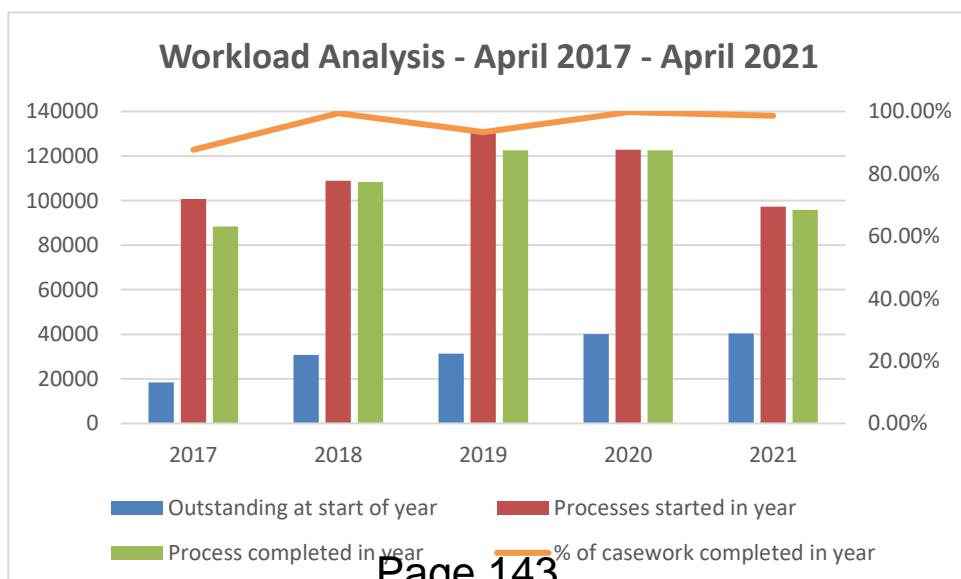
- 3.1.1 The total number of scheme member records in the Fund at 31 March 2021 stands at 335,101, with an overall increase since December 2020. The long-term trend over a 12 year period in membership continues to illustrate a move towards a more mature profile whereby, in general, pensioners and deferred memberships continue to rise.

	Membership as at 31 December 2020	Net Movements during the period	Membership as at 31 March 2021
Active Members	112,729	915	113,644
Deferred Members	114,883	-325	114,558
Pensioner Members	106,283	616	106,899
Total Members	333,895	1,206	335,101



3.2 Workflow Statistics

- 3.2.1 The process analysis statistics (Appendix A) show details of overall workflow within the Pensions Administration Service during the period 1 January to 31 March 2021. During the period covered by this report, 38,776 administrative processes were commenced, and 33,364 processes were completed.
- 3.2.2 As the Fund's overall membership continues to have an upward trend, the workload volumes will also naturally increase. On 31 March 2021 there were 46,630 items of work outstanding. This represents an increase of 150 items outstanding compared to 31 December 2020 (46,480). Of the 46,630 items of work outstanding, 5,546 items were pending as a result of information awaited from a third-party e.g. scheme members, employers or transferring authorities and 41,084 processes are now either proceeding to the next stage of the process or through to final completion. A summary of the processes started and completed is detailed in Appendix A.
- 3.2.3 In response to Scheme changes and increased member activity, the Fund's administration practices have developed and evolved to ensure effective management in changing and increasing work volumes. Over the last 5 years the Fund has seen an increase in casework under management. During this period the working practices have been adapted to incorporate 24 additional processes, this includes, for example, processing member requests for deferred retirement quotes and increased member tracing which aid retirement planning and record keeping. Overall, additional process types have added 20-25% to the total casework.
- 3.2.4 As illustrated in the chart below, recent years have seen workload peak following transition to monthly employer data submissions and targeted data cleansing activity. These Fund-led activities have improved member records through earlier receipt of leaver notifications and resolution of historic outstanding leaver information. Increased member movements, concurrent employment and Scheme change on member options to amalgamate records have been key drivers to member-led process increases, with an expectation that the higher rate of ongoing activity will persist in the absence of further Scheme change. 2020/2021 saw a lower level of activity linked to reduced membership changes during COVID-19.



- 3.2.5 The Fund continues to review the volumes of incoming work and put in place plans to monitor and address high volume areas. Opportunities for bulk processing and streamlining the management of queries back to employers continue to be explored to increase efficiency in processing.
- 3.2.6 A summary of the key processes completed by volume across benefit operational functions e.g. calculating benefits for retirements, pensioner member data changes as well as the maintenance of updating membership details is shown in Appendix B.

4.0 Digital Transformation Programme

- 4.1 The aim of the programme is to support the Fund to transform its administration services, using information and technology to drive processing efficiencies and cost savings whilst improving the service we provide to our members and responding to increasing volumes of benefit processing work.
- 4.2 Since the April 2021 report to Board, the programme continues to see some progress with the implementation of its key projects. An update on key development projects are detailed below:
- 4.3 Employer Hub and Webtrays

The platform for exchanging data with our employers is the employer portal, which is key to ensuring efficient and secure exchange. The new facility aims to improve the reporting functionality, user experience through design, availability of performance monitoring information and enable earlier issue resolution. Since December 2020 the phased programme to transition employers onto the new system continues with c680 (c90% of) employers live by the 5 July 2021.
- 4.4 Alongside the development of the new Employer Hub, the Fund has developed functionality to enable queries with data to be raised with employers via their online accounts with the process being sent to the employers' web-tray for action. This development supports the flow of information and assists in monitoring queries and resolution, providing insight to the development of employer communications and coaching material, supporting faster resolution. Initial reporting for the month of April highlights that over 200 new queries were raised with 56 different employers. Of these, 43% had been resolved by the end of May with an average response time of 10.58 days. The Fund are engaging with employers and will continue to monitor responses with a view to reducing queries and response times.

5.0 Key Performance Indicators (KPIs)

- 5.1 The Fund uses a number of KPIs to measure performance when processing items such as Transfers In and Out, Retirements and Deferred Retirements.
- 5.2 During the period the Fund performance fell slightly short of the KPI target for the management of death acknowledgements and notification of the benefits payable. This is due to high volume of death cases during the previous month, c33% increase compared to the same period in 2020. Other KPIs have been achieved across the period.

- 5.3 Despite the challenging year the Fund had a strong KPI performance for the 2020/2021 year, with two indicators falling slightly short of the 90% target over the year, relating to the production of retirement quotes for active and deferred members.
- Notification of Estimated Benefits – The KPI was not achieved in the first quarter of the year, due to an increase in the number of notifications received from employers the last two weeks in March and the transition of staff to homeworking, which saw a reduction in output. An improvement was seen in June and the subsequent months.
 - Issue of Deferred Retirement Quote Letter - This was impacted by an increase in volume of notifications received from employers for active retirements in August and September, which resulted in performance below target for three months.
- 5.4 Further information on achievement of target KPIs by process by month over the reporting period is included in Appendix C.
- ## 6.0 Customer Services
- 6.1 An overview of our front-line customer contact activity is shown in Appendix D. This outlines the variety and volume of support provided by the Fund to address members' pension queries. An indication of the statistics for the previous year are included within the charts as a comparative measure.
- 6.2 The most popular queries to our contact centre remain as follows:
- Customers following up on an existing Fund process
 - Requests for Pensions Portal support
 - Enquires about accessing pension benefits
 - Request for support with a Fund letter/form
 - Members updating their personal details
- 6.3 There have been vacancies within the Customer Services Team which have affected our call handling performance during the year. Recruitment is underway and expected to complete in the coming months. All new staff complete a detailed induction plan to ensure that training is as efficient as possible, minimising disruption to services.
- 6.4 Calls have continued at a higher than usual for the period, in addition, our written enquiries have increased. Written responses take longer to process and are more resource intensive. However, capacity savings have been achieved through improving the efficiency of uploading emails to member records. We continue to explore ways in which efficiencies can be identified to manage the customer contact received, including adding quick links to the website to aid self-service for our members.
- 6.5 We have continued to work closely with Member Services to stagger mailings sent to members, with the recent pensioner newsletter and P60 mailings being sent within this period. Staggering mailings smooths the impact on the contact centre and reduces call queues/written response times, allowing us to better serve our customers and reduce the number chaser requests received.

7.0 Complaints

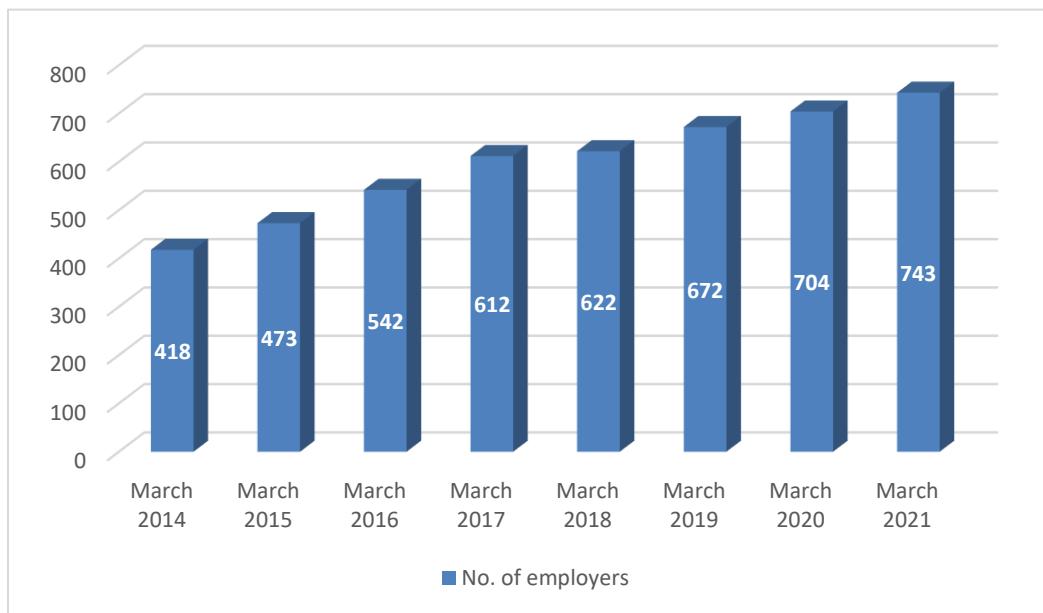
- 7.1 The Fund has a complaint monitoring framework, which enables regular monitoring, reporting of volumes and key trends for the key performance indicator. Where a complaint highlights an improvement area, this is investigated and monitored to help shape future services and improve overall customer satisfaction going forward. This mirrors the process undertaken for general customer feedback as outlined within the Customer Engagement Update.
- 7.2 The number of complaints received by the Fund is proportionally low compared to the number of scheme members, with 30 complaints received for the last quarter (very low across the membership). Of those complaints, 53% were upheld, a reduction compared to the previous reporting period.
- 7.3 Overall there has been a reduction in complaints compared to the same period last year. When each complaint is received, any lessons learned are shared and logged, and this in turn improves our service delivery and prevents further occurrences. Complaints and actions in response are reviewed by the Fund's Senior Management Team on a monthly basis.

8.0 IDRP Casework

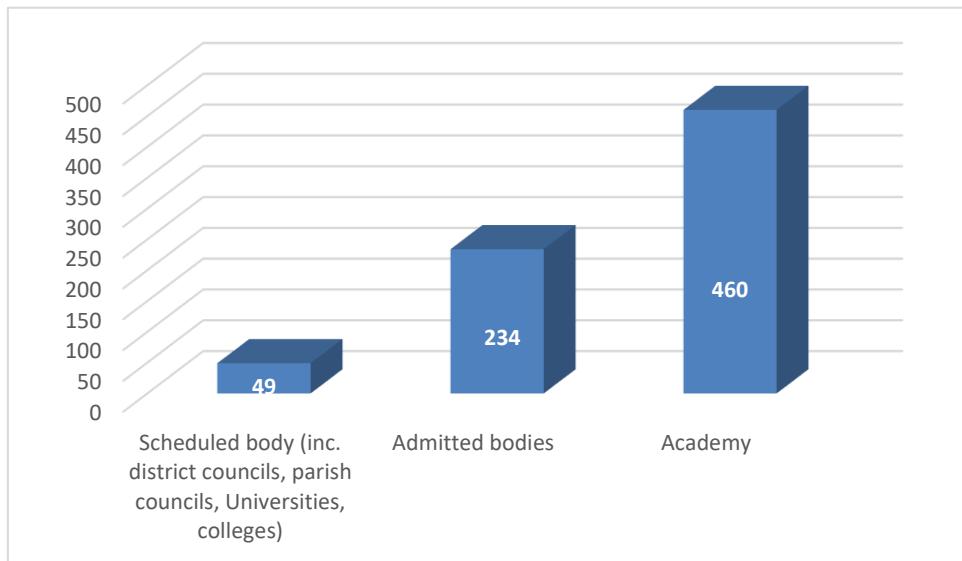
- 8.1 For 2019/2020, one case remains on-going which relates to a historical medical appeal against the employer, which has required considerable engagement with third party medical practitioners. The Fund are continuing to liaise with the member and the employer.
- 8.2 For 2020/2021, nine cases were completed, with one case has been partially upheld and eight cases not upheld. Five cases were progressed to stage two on appeal to the Fund; four of these cases have not been upheld and one case remains under investigation.
- 8.3 For the 2020/2021 year to date, one case has been referred to Stage one of the procedure against the Fund and is currently being investigated.

9.0 Employer Membership

- 9.1 The Fund has seen an increase in employer numbers, with the overall number of employers registered with the Fund as 743 at 31 March 2021, a 5% increase for 2020/2021 and a 72% increase since March 2014 as shown in the graph below.



9.2 The employer base is categorised into the following employer types:



9.3 The level of on-going work being processed at the end of the period is as follows: -

- 68 admission agreements
- 25 academies
- 43 employer terminations

10.0 Pensions in Payment

- 10.1 The gross annual value of pensions in payment to March 2021 was £568m, £15.47m of which (£7.9m for pensions increase and £7.57m for added year's compensation) was recovered from employing authorities and other bodies as the expenditure was incurred.
- 10.2 Monthly payroll details were:

Month	Number	Value (£)
January 2021	87,881	40,217,405
February 2021	87,973	40,190,781
March 2021	106,265	41,692,239

The March figure includes pensioners paid on a quarterly basis.

11.0 Transfer Out Cases

- 11.1 During the period 1 January to 31 March 2021, 256 transfer values were issued to members considering transferring their benefits out of the scheme (previous 1 January 2020 to 31 March 2020, 344 transfer values were issued to members).
- 11.2 In total 40 transfer payments made during the period 1 January to 31 March 2021 resulting in a total amount transferred of £1.5 million (previous 1 January to 31 March 2020 a total of 62 transfer payments were made (£4.5 million was transferred out) This amount is broken down as follows:

Value of Transfer Payments	Number of Transfer Payments
0 to £30,000	31
£30,001 to £100,000	5
£100,001 to £200,000	1
£200,001 to £300,000	2
£300,001 to £400,000	1
£400,001 to £500,000	0
Above £500,001	0
Total	40

- 11.3 Analysis has been undertaken of the Transfer out payments to non-public sector or occupational schemes over the period of January through to March 2021 to review the volume and trends. During the period, of the 40 completed, a total of 21 non-public sector or occupational scheme transfer out payments have been processed, to a total of 12 different receiving schemes. The average age of members transferring out was 45 years, with the main reason for members transferring out with a value less than £30k was to consolidate their benefits. For those cases of higher value than £30k, the main reason was to consolidate their pension benefits with one provider.

12.0 Administering Authority Policy Statement

- 12.1 Under the LGPS Regulations, the Fund is required to formally publish its policy on its 'discretions'. Administering authorities have certain powers which enable them to choose how they will apply the scheme in respect of certain provisions. These are called discretions. Discretions is taken to include where the administering authority is required to carry out a task, but an element of choice is seen to exist as to how the task is completed.
- 12.2 The Fund are obliged to consider how to exercise their discretion and, in respect of some (but not all) of these discretionary provisions, to have a written policy on how they will apply their discretion, these are also to be published and kept under review. Within the policy there are circa 50 areas covered, and these include; admission of admission bodies, commutation of small pensions, management of funding strains, for example on member taking unreduced benefits on early retirement.
- 12.3 The Fund has undertaken its annual review of the policy, comparing to the latest guidance issued by LGA/LGPC confirmed there are no areas for development or amendment. In addition, as there have not been any major scheme changes since the revised version was implemented, therefore no changes have been made to the statement.
- 12.4 The policy statement, as approved by Committee 23 June 2021, will be applicable from June 2021, a copy is attached at Appendix E.

13.0 Financial implications

- 13.1 The report contains financial information which should be noted.
- 13.2 Employees of organisations who become members of the Local Government Pension Scheme will contribute the percentage of their pensionable pay as specified in the Regulations. The Fund's actuary will initially, and at each triennial valuation or on joining intervaluation, set an appropriate employer's contribution rate based on the pension assets and liabilities of the individual employer.

14.0 Legal implications

- 14.1 The Fund on behalf of the Council will enter into a legally binding contract with organisations applying to join the Local Government Pension Scheme under an admission agreement.

15.0 Equalities implications

- 15.1 This report has implications for the Council's equal opportunities policies, since it deals with the pension rights of employees.

16.0 All other implications

- 16.1 This report has implications for the Council's human resources policies since it deals with the pension rights of employees. The report contains no direct environmental implications.

17.0 Schedule of background papers

17.1 None.

18.0 Schedule of appendices

18.1 Appendix A: Process Summary

18.2 Appendix B: Detailed Process Analysis

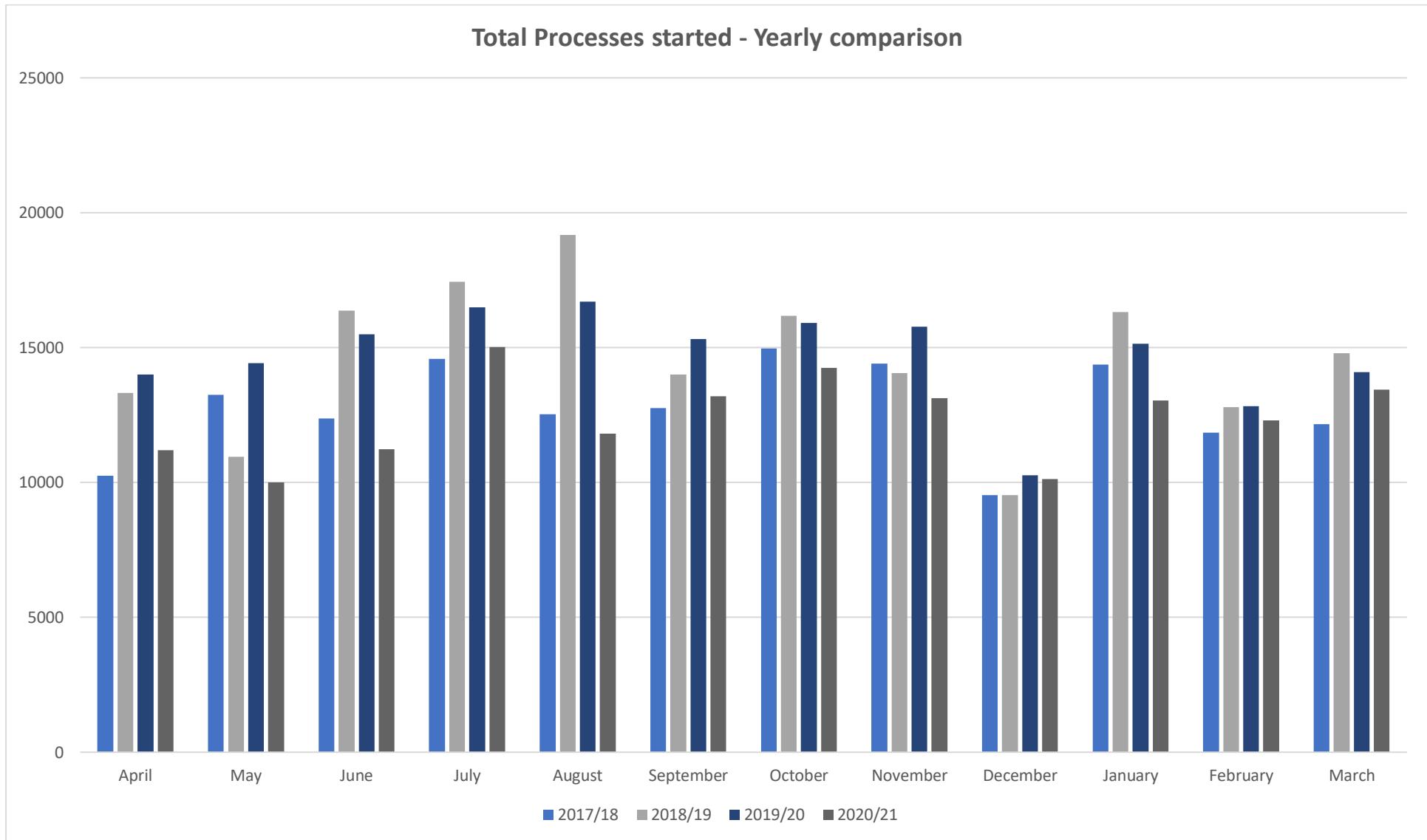
18.3 Appendix C: Key Performance Indicators (KPIs)

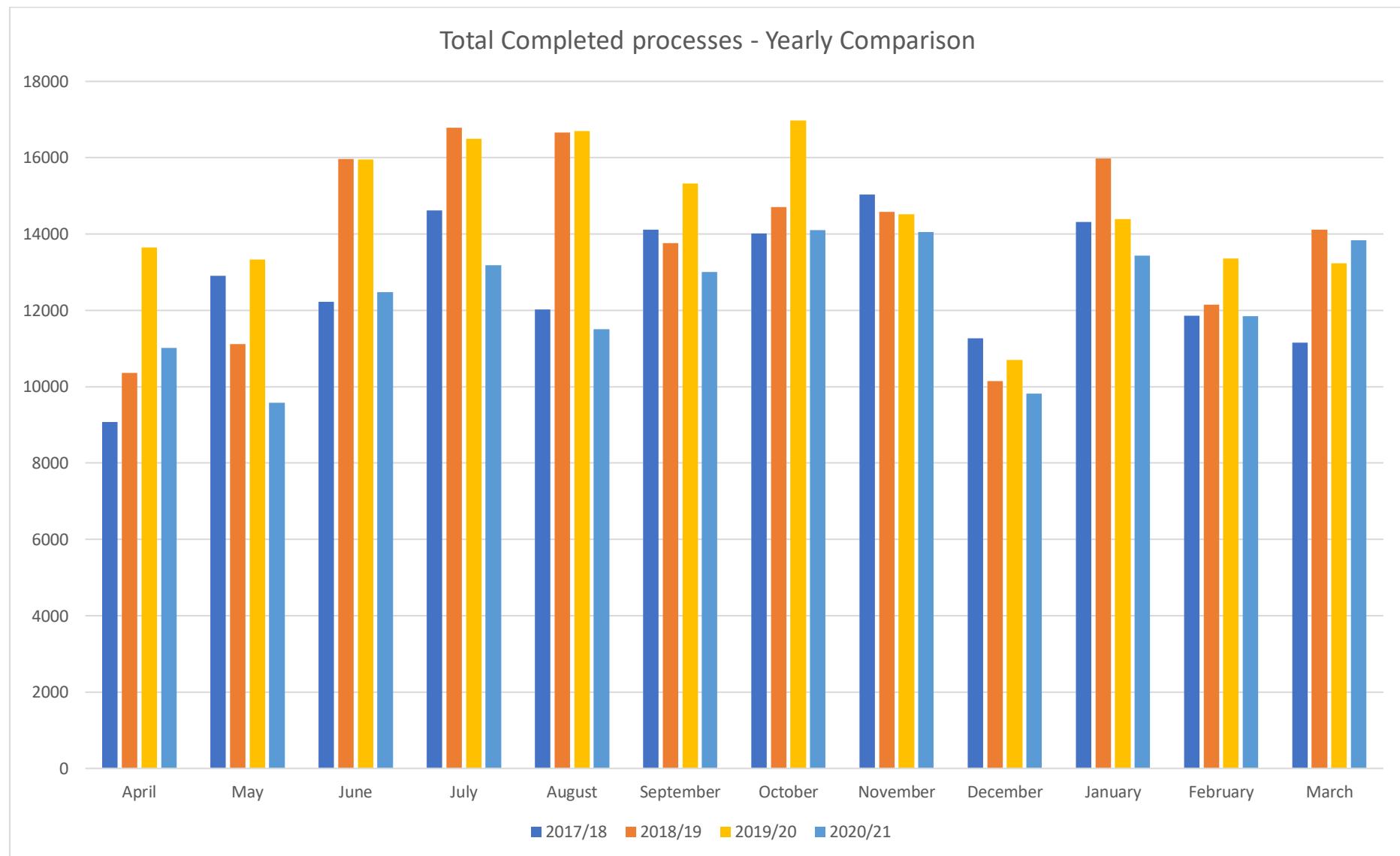
18.4 Appendix D: Customer Service Statistics

18.5 Appendix E: Administering Authority Policy Statement 2021

Appendix A

Page 151





Pension Committee Statistical Report
Detailed Process Analysis

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	April	May	June	July	August	September	October	November	December	January	February	March	2020/21
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-------	-----	------	------	--------	-----------	---------	----------	----------	---------	----------	-------	---------

Active & Deferred members

Process type																							
Joiners and Rejoiners (Bulk)	8,763	6,403	11,138	13,558	9,816	16,688	20,227	17755	25509	19939	1677	1099	741	1472	1757	2616	2157	2651	1458	1906	1914	1486	20934
Changes in circumstances eg change in hours	18,759	15,303	12,385	11,273	6,391	8,752	6,370	5386	5725	6658	347	311	519	554	504	535	531	468	219	350	408	415	5161
Deferments	5,939	7,818	5,741	6,728	5,664	8,340	8,178	8629	15934	11994	974	688	642	747	616	881	1125	874	769	834	706	588	9444
Active Retirements (Employer retirements)	3,317	3,950	2,475	2,279	2,351	2,775	2,593	2676	2280	2112	159	135	121	149	202	214	226	195	196	177	128	6	1908
Deferred Retirements	3,332	2,970	2,971	2,726	2,301	3,421	3,552	4429	4814	5071	553	306	363	373	411	362	411	481	464	392	441	287	4844
Deaths of members	295	262	287	285	230	379	399	470	429	441	41	38	50	34	27	37	56	60	33	69	63	62	570
Refund										6877	332	346	359	261	260	536	500	377	413	434	350	331	4499
Opt Outs										3585	80	59	99	68	124	167	139	82	109	101	149	51	1228
Amalgamations										11628	695	645	566	814	728	858	653	810	546	830	893	803	8841

Pensioner members

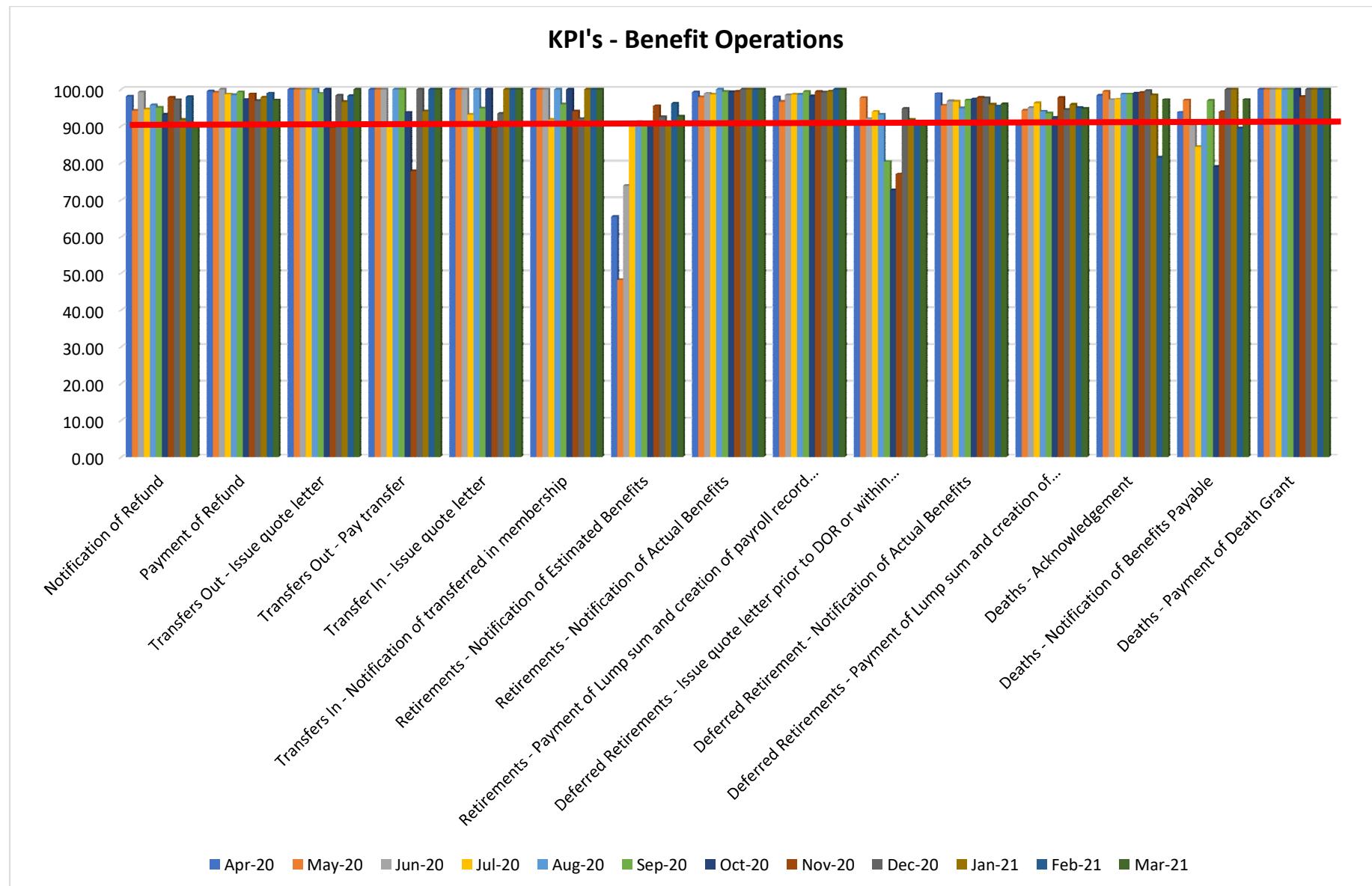
Process type																							
Changes in circumstances:-																							
Data eg Passwords, NI Numbers	1,310	1,804	1,865	2,017	2,604	4,548	2,427	3105	2694	1953	102	130	165	142	109	120	169	125	250	127	139	183	1761
Changes of Address	2,420	2,681	2,131	1,732	1,733	2,237	2,589	3004	2628	2423	168	291	204	209	182	179	193	198	127	267	177	253	2448
Changes of Bank	2,927	2,531	2,783	3,420	3,281	1,573	2,272	2214	1957	1874	107	132	117	89	104	139	160	102	207	106	97	179	1539
Deaths of pensioners	2,085	2,145	2,101	2,546	2,454	1,702	2,813	2919	2793	2650	493	291	328	271	204	274	272	313	254	424	384	378	3886

Payroll

Payroll																							
Actual number paid	792,724	837,189	870,804	895,018	913,864	888,954	915,275	945,196	979,819	1,019,295	86,596	86,460	95,847	86,791	86,960	96,665	87,417	87,626	97,458	87,881	87,973	106,265	1,093,939

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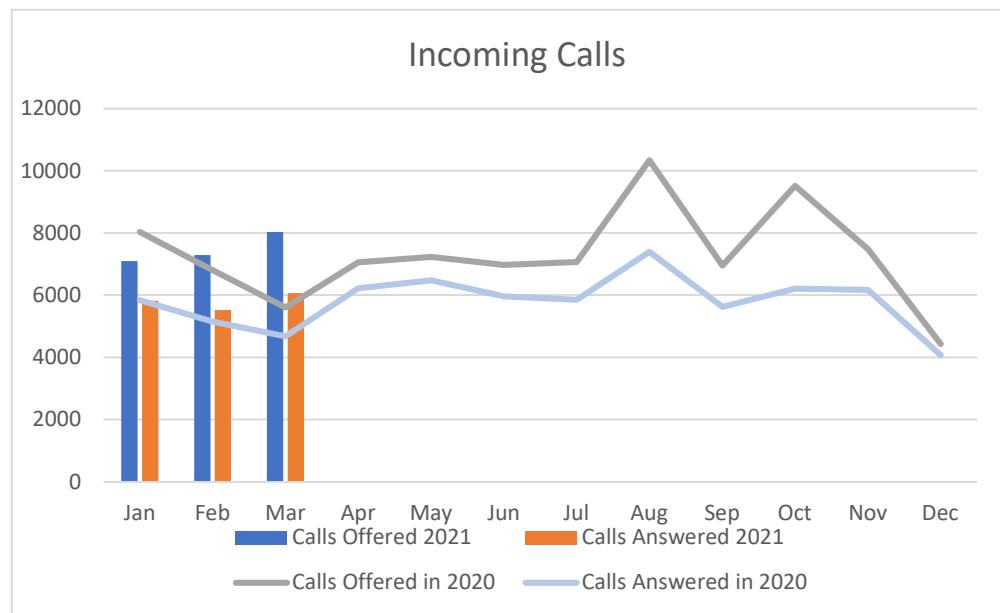
Appendix C



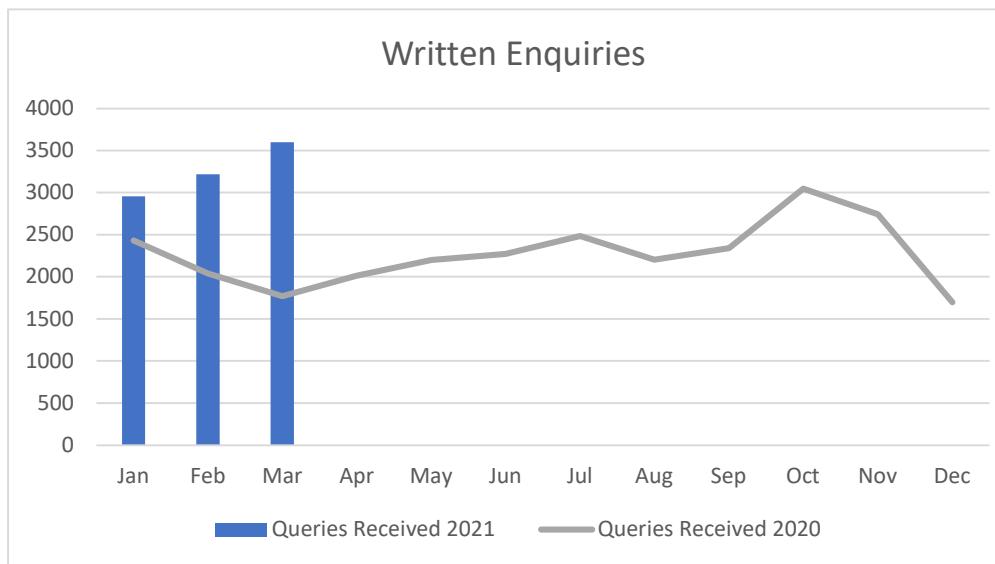
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Appendix D: Customer Services Statistics

January to March 2021



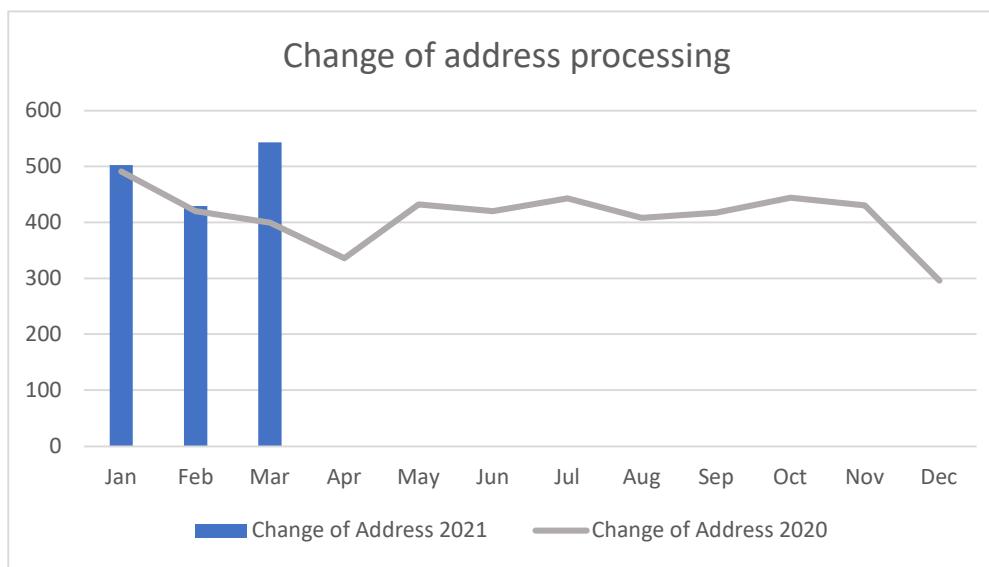
Appendix D: Customer Services Statistics



Appendix D: Customer Services Statistics



Appendix D: Customer Services Statistics



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Change of Address 2021	502	429	543									
Change of Address 2020	491	420	399	336	432	420	443	408	417	444	430	296

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Change of Address 2021	502	429	543									
Change of Address 2020	491	420	399	336	432	420	443	408	417	444	430	296



ADMINISTERING AUTHORITY POLICY STATEMENT 2021 JUNE 2021

Under the LGPS Regulations, the Fund is required to formally publish its policy on "discretions". Discretions is taken to include where the administering authority is required to carry out a task, but an element of choice is seen to exist as to how the task is completed. Unless stated otherwise the references to regulations are set out below with the following prefixes used throughout the draft.

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

This document was reviewed and approved by Pension Committee in March 2020, effective date from April 2020. The next date for review is March 2021.

ADMISSION OF ADMISSION BODIES [REGULATION R4, R3(5) RSch2]

The administering authority may make an admission agreement with any admission body. The administering authority can also make admission agreements with a Care Trust, NHS Scheme employing authority or Care Quality Commission. An admission agreement may take effect on a date before the date on which it is executed.

The Council will usually agree to an admission agreement with an admission body that is regarded as having a community of interest, provided it is satisfied about the long-term financial security of the body or it has a public sector guarantee. The administering authority will enter into an admission agreement with other admission bodies provided that any requirements it has set down are met. The Council may agree that the admission agreement may take effect on a date before the date on which it is executed.

RIGHT TO TERMINATE ADMISSION AGREEMENT [RSch2]

The administering authority has the right to terminate an admission agreement in prescribed circumstances. The Council shall retain the right to terminate an admission agreement in the event of:

- a) The insolvency, winding up or liquidation of the admission body,
- b) A material breach by the admission body of any of its obligations under the admission agreement or these Regulations which has not been remedied within a reasonable time, or
- c) A failure by the admission agreement to pay any sums due to the fund within a reasonable period after receipt of a notice from the administering authority requiring it to do so.

The administering authority may suspend (by way of issuing a suspension notice) for up to three years, an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.

Where an intention to allow new members to join the scheme is identified, the Council may allow the employer up to six months to admit such members.

ADDITIONAL PENSION CONTRIBUTIONS [R16]

The administering authority may turn down a request to pay an additional pension contribution (APC) or shared-cost additional pension contribution (SCAPC) over a period of time where it would be impractical to allow such a request. The member would still be able to pay via a single lump-sum payment.

Due to the administration costs involved requests to pay additional pension contributions or shared-cost additional pension contributions over a period of time in order to address an absence from work of less than ten working days will be refused unless there are exceptional circumstances.

MEDICAL EXAMINATION REQUIRED FOR PURCHASE OF APC/SCAPC [R16]

The administering authority may require the member to undergo a medical at their own expense and may refuse an application if the authority is not satisfied that the member is in reasonably good health.

The Council will require that a member provides satisfactory medical evidence to ensure they can be reasonably expected to complete the contract undertaken and will not retire due to a pre-existing medical condition on health grounds. No medical shall be required if the member is paying for the additional pension by means of a lump-sum payment.

PAYMENT OF ADDITIONAL VOLUNTARY CONTRIBUTIONS ON THE DEATH OF A MEMBER [R17]

The administering authority shall decide to whom to pay any AVC monies, including life assurance monies are to be paid to on death of a member.

The Council will decide based on the individual circumstances of the case, who should receive payment of the monies having regard to that it should be paid to or for the benefit of the member's nominee, personal representative or any person appearing to the authority to have been a relative or dependent of the member.

PROVISION OF ESTIMATES IN RELATION TO TRANSFERS OF AVCS/FSAVCS [TP15 AND A28]

The administering authority may charge a member for providing an estimate of additional pension that would result from a transfer of in house AVC/SCAVC contributions.

Members may request a quote free of charge. In the exceptional case an additional request is made, the Council reserve the right to charge.

PENSION ACCOUNTS [R22]

A pension account may be kept in any form that the administering authority considers appropriate.

The Council will decide the form in which pension accounts are kept based upon any published information or best practice and in an efficient manner.

CONCURRENT EMPLOYMENT AND THE ABSENCE OF AN ELECTION FORM [TP10]

The administering authority shall decide in the absence of an election form from the member within 12 months of ceasing a concurrent employment, and where there is more than one ongoing employment which on going employment the benefits from the concurrent employment should be aggregated with.

The one with the longest likely lifespan or the ongoing employment that is most similar to the one that has ceased will be selected.

RETIREMENT BENEFITS [R30]

The administering authority, in cases where the current employer or the former employer has ceased to be a scheme employer, may consent to waive, in whole or in part the actuarial reduction where the member voluntarily draws their pension before normal pension age.

The administering authority may also in cases where the current employer or the former employer has ceased to be a scheme employer may consent to waive, in whole or in part the actuarial reduction on benefits paid on flexible retirement. Where a request is received, it will be considered on an individual basis and on its own merit. However, where there is a cost as this cost will have to be spread across all employers the cost has to be justified.

STRAIN ON THE FUND [R68]

The administering authority may require an employer who allows a member to retire by reason of flexible retirement, redundancy or business efficiency to pay the additional charge on the fund. This also includes the cost where the employer has chosen to waive any reduction on flexible retirement or where the member voluntarily draws benefits before normal retirement age.

The Council will require an employer to make the appropriate payment to meet the additional charge where the member has retired early through flexible retirement, redundancy, business efficiency or where the employer has exercised their discretion to waive any reduction as a result of flexible retirement or voluntary retirement.

SWITCHING ON THE RULE OF 85 [TP Sch 2]

In cases where the current employer or former employer has ceased to exist, the administering authority may consent to switch on the 85-year rule where the member is voluntarily drawing benefits on or after age 55 and before age 60.

Where a request is received it will be considered on an individual basis and on its own merit. However, where there is a cost, as this cost will have to be spread across all employers the cost has to be justified.

WAIVING THE REDUCTION [TP Sch 2 & B30]

In cases where the current employer or former employer has ceased to exist, the administering authority may consent to waive any actuarial reduction on the benefits on pre- and/or post-April 2014 benefits.

Where a request is received, it will be considered on an individual basis and on its own merit. However, where there is a cost as this cost will have to be spread across all employers the cost has to be justified.

STRAIN ON THE FUND [TP SCH 2]

The administering authority may require an employer to pay any additional costs as a result of the employer waiving the reduction in cases where the employer has consented to the early payment of on benefits before age 60 under Benefit Regulation 30.

The Council will normally require the employer to make the additional payment to meet any additional cost.

EXTENSION OF THE TIME LIMIT TO DRAW BENEFITS [R32]

The administering authority shall decide whether to extend the time limits in which a member must give notice of their wish to draw their benefits before normal retirement age or upon flexible retirement.

Where a request is received asking for the time limit to be extended, the individual circumstances will be considered on whether it is appropriate to extend the time limit.

COMMUTATION OF SMALL PENSIONS [R34, B39, T14, R39]

The administering authority may commute a small pension into a single lump sum.

The administering authority will commute small pensions when a member has made a request.

INDEPENDENT REGISTERED MEDICAL PRACTITIONER – APPROVAL [R36 & A56]

The administering authority shall approve the choice of the medical practitioner used by the employer for ill-health retirement.

A medical practitioner who is registered with the General Medical Council and who has the appropriate qualifications specified in the regulations will be approved.

CERTIFICATE PRODUCED BY AN IRMP UNDER THE 2008 SCHEME [TP12]

In cases where the employer or the former employer has ceased to exist to be a scheme employer, the administering authority can use a certificate produced by an IRMP under the 2008 scheme to make a determination under the 2014 scheme.

The certificate will be allowed except in circumstances of a particular case the certificate is not compliant with the requirements of the 2014 scheme.

EARLY PAYMENT ON ILL-HEALTH GROUNDS - DEFERRED MEMBER [R38]

In cases where the employer or the former employer has ceased to exist to be a scheme employer, the administering authority shall decide whether the deferred member meets the criteria of being permanently incapable of carrying out their former job and are unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years whichever is sooner.

Where a request is received each case will be considered individually and a decision will be made based on the medical evidence and opinion provided by the independent registered medical practitioner.

EARLY PAYMENT ON ILL HEATH GROUNDS – DEFERRED PENSIONER MEMBER [R38]

In cases where the employer or the former employer has ceased to be a scheme employer, the administering authority can decide whether a deferred pensioner is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health.

Where a request is received each case will be considered individually and a decision will be made based on the medical evidence and opinion provided by the independent registered medical practitioner.

PAYMENT OF THE DEATH GRANT [R40, R43, R46, TP17 & B23, B32, B35, TSCH & LI55]

The administering authority has absolute discretion in determining the recipients of any death grant payable from the scheme.

Normally the death grant will be paid to the nominated beneficiary or the death grant could be paid to the estate of the deceased. Where either or both of these options are seen to be inappropriate or impossible, the Council shall exercise its absolute discretion in as to who should receive the death grant.

NO DOUBLE ENTITLEMENT - BENEFITS DUE UNDER TWO OR MORE REGULATIONS [R49 & B42]

The administering authority may decide in the absence of an election form from a member, which benefit is to be paid where the member would be entitled to a benefit under two or more regulations for the same period of scheme membership.

The member would be notified of the payment of the benefit that would provide the highest level of payment.

ADMISSION AGREEMENT FUNDS [R54]

The administering authority may establish an admission agreement fund.

The Council has chosen not to set up an admission agreement fund.

GOVERNANCE COMPLIANCE STATEMENT [R55]

The administering authority must prepare a governance policy stating whether the administering authority delegates its functions or part of its functions in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the administering authority, and if they do so delegate, state:

e voting rights.

The policy must also state:

, state the reasons for not complying; and

Governance Compliance Statement will be prepared, maintained and published. A copy will be made available on our website www.wmpfonline.com

FUNDING STRATEGY STATEMENT [R58]

The administering authority must after appropriate consultation prepare maintain and publish a statement setting out its funding strategy. The statement has to be published no later than 31 March 2015.

The Funding Strategy Statement is prepared, maintained and published annually. A copy is available on our website www.wmpfonline.com

PENSION ADMINISTRATION STRATEGY [R59]

The administering authority may prepare and publish a pension administration policy and the matters it should include.

The administering authority will publish a Pension Administration Strategy after consultation and it will be kept under review. A copy is available on our website www.wmpfonline.com

COMMUNICATIONS POLICY [R61]

The administering authority must prepare and publish its communication policy. It must set out its policy concerning communication with members, representatives of members, prospective members and scheme employers, as well as the format, frequency and method of communications, and the promotion of the scheme to prospective members and their employers.

The administering authority publishes and maintains a communications policy, a copy of which will be made available on our website www.wmpfonline.com

REVISION OF EMPLOYER'S CONTRIBUTION RATE [R64]

The administering authority may obtain from the actuary, a certificate revising the employer contribution rate, if there are circumstances which make it likely a scheme employer will become an exiting employer.

A revised additional rate and adjustments certificates regarding employer contributions will be obtained where it appears to be appropriate.

AGGREGATE SCHEME COSTS – REVISED CERTIFICATES [R65]

The administering authority may obtain a new rates and adjustments certificate if the Secretary of State amends the regulations as part of the "cost sharing" arrangements.

A new rates and adjustments certificate will be obtained where it appears to be appropriate.

EMPLOYER CONTRIBUTIONS – DATES FOR PAYMENT [R69]

The administering authority shall decide on the dates which contributions are to be paid over to the Fund.

All contributions (apart from additional voluntary contributions) should be credited to the Fund without delay by the 19th of the month following the month in which they fall due.

INFORMATION PROVIDED BY EMPLOYERS ABOUT CONTRIBUTIONS – FREQUENCY AND FORMAT [R69, TP23, 22 & R80]

The administering authority shall decide on the form and frequency of the information to accompany payments to the Fund.

The administering authority will provide to employers the specified formats that employers are to use for the submission of their data, which is to be provided monthly, in line with the payment of contributions. A notification will be issued each year to inform employers of the deadline to submit this data along with any format changes that will be required. The Fund requires this data to be submitted to them no later than 30 April.

NOTICE TO RECOVER COSTS DUE TO EMPLOYER'S PERFORMANCE [R70]

The administering authority will decide to issue the employer with a notice to recover additional costs incurred as a result of the employer's level of performance.

As detailed in the Pension Administration Strategy, the Council will review from time to time whether to issue an employer with notice to recover additional costs incurred as a result of the employer's level of performance.

EMPLOYER PAYMENTS – INTEREST ON OVERDUE PAYMENTS [R71]

The administering authority may charge interest on payments by employers which are overdue.

The Council reserves the regulatory prescribed right to require interest to be paid when payments are overdue by more than one month. Interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three monthly rests.

PROCEDURE TO BE FOLLOWED WHEN EXERCISING STAGE 2 DISPUTE FUNCTIONS AND THE MANNER IN WHICH THOSE FUNCTIONS ARE TO BE EXERCISED. [R76, A60, TP23 & R76]

The administering authority will decide how it will exercise its stage two dispute procedure and the procedure to be followed.

The review would be undertaken by a person not involved in the first stage decision and by a person appointed to deal with disputes referred to it under stage 2. The Council will ensure suitable procedures are in place.

APPEAL TO THE SECRETARY OF STATE AGAINST EMPLOYER DECISION [R79 & A63]

The administering authority may appeal to the Secretary of State against an employer decision or lack of an employer decision.

The Council will appeal to the Secretary of State if it believes an employer has made (or failed to make) a decision that is both wrong in law and material and where we have been unable to persuade the employer to alter its actions or inactions.

EXCHANGE OF INFORMATION [R80, TP22, 23]

The administering authority shall specify the information to be supplied by employers to enable the administering authority to discharge its function.

The Council will specify the information that is to be supplied by employers having regard to the regulatory requirements and best practice.

MAKING PAYMENTS IN RESPECT OF DECEASED PERSON WITHOUT PROBATE/LETTERS OF ADMINISTRATION [R82 & A52]

The administering authority may pay the whole or part of the amount due from the Fund to the personal representatives or any person appearing to be beneficially entitled to the estate without the production of probate or letters of administration where the amounts due are less the amount specified in section 6 of the Administration of Estates (Small Payments) Act 1965.

Payment will normally be made without the production of probate or letters of administration where the amount is below the specified amount.

PAYMENTS FOR PERSONS INCAPABLE OF MANAGING THEIR AFFAIRS [R83, A52 & B27]

The administering authority may decide where a person (other than an eligible child) appears incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person to be applied for the benefit of the member.

Where in the Council's opinion a member is unable to manage their own affairs, then having considered the individual circumstances of the particular case they may decide to pay some or all of the benefits to someone else to be applied for the benefit of the member.

DATE TO WHICH BENEFITS SHOWN ON ANNUAL BENEFIT STATEMENT ARE CALCULATED [R89]

The administering authority will decide the date to which benefits shown on the annual benefit statement are calculated.

The date will be selected in line with regulatory requirement and best practice.

BULK TRANSFER (TRANSFER OF UNDERTAKINGS) [R98]

The administering authority must agree any bulk transfer payment.

The terms of the bulk transfer will be discussed with the Fund's actuary, and once all parties are in agreement payment will be made.

TRANSFERS INTO THE FUND AND EXTENSION OF 12-MONTH TIME LIMIT [R100]

The administering authority may accept a transfer value of pension rights into the Fund and may also extend the time limit of 12 months from the date the member first became an active member in their current employment.

The Council will accept a transfer value where a request is made. The Council will only agree to extend the time limit where the appropriate employer has agreed to extend the time limit.

FINAL PAY REDUCTIONS [TP3, 4, 8, 10, 17 & B10]

The administering authority will decide whether to use an average of three years pay for final pay purposes where the member has died before making an election.

The pay figure which provides the highest overall level of benefits will be selected.

PERMANENT REDUCTIONS IN PAY - CERTIFICATES OF PROTECTION [TP3, 4, 8, 10, 17, TSch1 & L23]

The administering authority will decide for a member who has a certificate of protection who has died before making an election which pay figure should be used for final pay purposes.

The pay figure which provides the highest overall level of benefits will be selected.

ELIGIBLE CHILD – IGNORING BREAKS IN EDUCATION OR TRAINING [RSch1 & TP17]

The administering authority may treat a child as being in continuous educational or vocational training despite a break.

The Council will accept short breaks and also gap years as being breaks in education and will restart a suspended child's pension at the end of such a break or gap.

FINANCIAL DEPENDENCE /INTERDEPENDENCE OF COHABITING PARTNER [RSch1 & TP17]

The administering authority will decide upon the evidence required to determine the financial dependence or financial interdependence of the cohabiting partner and the scheme member.

The Council will provide details of the evidence required taking account of any guidance provided.

ABATEMENT OF PRE-1 APRIL 2014 PENSION [TP & A70]

The administering authority shall decide whether and how to abate the pre-1 April 2014 pension element following re-employment of a scheme pensioner by a local government employer.

In the event of a scheme pensioner obtaining further employment with a scheme employer the pension will not be abated. The Fund resolved from 1 September 2006 not to abate pension on re-employment.

EXTENSION OF TIME PERIOD FOR CAPITALISATION OF ADDED YEARS CONTRACT [TP15, TSch1 & L83(5)]

The administering authority may extend the time allowed to a member who has an added years contract and who is made redundant to decide whether to pay a capital payment.

The Council will apply the prescribed three month time limit, unless there are individual circumstances which need to be considered in deciding whether to grant an extension of the time limit.

RECOVERY OF UNPAID EMPLOYEE CONTRIBUTIONS AS DEBT/ FROM BENEFITS [A45]

The administering authority may recover any outstanding employee contributions as a debt or as a deduction from the benefits.

The Council will, where practical deduct any unpaid employee contributions from the benefits relating to the membership to which the unpaid contributions relate.

CONSENT FOR EARLY PAYMENT AND WAIVING OF REDUCTION [B30 & TPSCH]

Where the former employer has ceased to be a scheme employer, the administering authority may consent to waive the reduction for the payment of deferred benefits on compassionate grounds.

Where a request is received it will be considered individually and on its own merit. However, where there is a cost as this cost will have to be spread across all employers the cost has to be justifiable.

'SWITCH ON' THE 85-YEAR RULE FOR A PENSIONER MEMBER WITH DEFERRED BENEFITS

Where the former employer has ceased to be a scheme employer, the administering authority may consent to 'switch on' the 85-year rule for a pensioner member with deferred benefits voluntarily drawing benefits.

The Council would not normally 'switch on' the 85-year rule.

APPLICATION FOR EARLY PAYMENT OF A SUSPENDED TIER 3 ILL HEALTH PENSION AND WAIVING REDUCTION [B30]

The administering authority may consent to the request for the early payment of pension for a member, who left with a tier 3 ill-health pension that is suspended and who now is aged between 55 and 60 where the former employer has ceased to be a scheme employer. The administering authority may also waive any reduction.

Where a request is received, it will be considered individually and on its own merit. However, where there is a cost, as this cost will have to be spread across all employers the cost has to be justifiable.

REQUEST FOR EARLY PAYMENT OF DEFERRED BENEFITS ON ILL-HEALTH GROUNDS [B31]

The administering authority may decide to agree to a request from a deferred member for early payment of benefits on ill-health grounds where the former employer has ceased to exist.

The Council will obtain an opinion from an IRMP as to whether as the member meets the criteria of permanent ill health and reduced likelihood of gainful employment.

SPOUSES' PENSIONS ARISING UNDER THE 1995 REGULATIONS PAYABLE FOR LIFE

The administering authority shall decide to pay spouse's pensions for life for pre-1 April 1998 retirees/pre-1 April 1998 deferreds who die on or after 1 April 1998, rather than ceasing the pension during any period of marriage or cohabitation.

The Council has deemed that any spouses' pension that comes into payment is payable for life. This does not apply to spouses' pensions that ceased prior to 1 April 1998.

Data Protection

To protect any personal information held on computer, the City of Wolverhampton Council is registered under the Data Protection Act 2018. This allows members to check that their details held are accurate. The Fund may, if it chooses, pass certain details to a third party, if the third party is carrying out an administrative function of the Fund, for example, the Fund's AVC provider. Members who wish to apply to access their data on Data Protection Act grounds should contact the Fund's Data Protection Officer via email at wmpfdataprotectionofficer@wolverhampton.gov.uk

s under a duty to protect the public funds it administers, and to this end may use information for the prevention and detection of fraud. It may also share this information with other bodies administering public funds solely for these purposes.

Information produced by the Fund can be made available in several formats including large sight text, Braille and several community languages. If you have any special requirements or would like to speak face to face with a member of staff, please contact us to arrange how we may best meet your needs. Please remember that special requirements may take a little longer than normal to organise, but you have our assurance that we will do our best to ensure you receive the information in the most appropriate and efficient manner possible.

West Midlands Pension Fund

PO Box 3948

Wolverhampton

WV1 1XP

Customer Services: 0300 111 1665

Email: pensionfundenquiries@wolverhampton.gov.uk

Web: www.wmpfonline.com

Pensions Portal: www.wmpfonline.com/pensionsportal

Lines open during the following times:

8:30am to 5.00pm Monday - Thursday

8:30am to 4.30pm Friday.

Calls may be monitored for training purposes.

Version control:

Version	Responsible Officer	Change	Date
Version 2	Head of Operations	Annual policy review	June 2021

CITY OF WOLVERHAMPTON COUNCIL	<h1>Pensions Board</h1> <p>20 July 2021</p>
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Report title	Statement of Accounts 2020/2021		
Originating service	Pension Services		
Accountable employee	Darshan Singh	Head of Finance	
	Tel	01902 55 2768	
	Email		darshan.singh@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood	Director of Pensions	
	Tel	01902 55 1715	
	Email		rachel.brothwood@wolverhampton.gov.uk

Recommendations for noting:

The Pensions Board is asked to note:

1. The West Midlands Pension Fund draft Statement of Accounts for the year ending 31 March 2021 that has been prepared and certified by the Section 151 Officer as required by regulations.
2. The draft Statement of Accounts (and the Annual Report) will now be 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.
3. 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.

1.0 Purpose

- 1.1 The purpose of this report is to update the Board on the preparation, approval and audit of the Statement of Accounts and the Annual Report for the year ending 31 March 2021 and the latter's publication on the Fund's website.

2.0 Background

- 2.1 Local Government Pension Scheme (LGPS) Funds are ordinarily required by law to produce a Statement of Accounts by 31 May each year. These must be subject to external audit and published no later than 31 July.
- 2.2 In view of the ongoing COVID-19 disruption, timescales for closing and auditing of accounts for the current year have been extended. With effect from 31 March 2021 and applicable to the Statement of Accounts for the year ended 31 March 2021 the Accounts and Audit (amendment) Regulations 2021 extend the above statutory accounting deadlines to 1 August and 30 September 2021 respectively.
- 2.3 In preparing their accounts, Funds must have regard to proper practice and to any guidance which has the effective standing of 'statutory guidance'. These are for the Statement of Accounts, 'The Code of Practice on Local Authority Accounting in the United Kingdom 2020/2021' (CIPFA) ('the Code').
- 2.4 As well as being published in the Fund's own Annual Report, its accounts must be included in the Statement of Accounts of the Administering Authority (for the West Midlands Pension Fund, the City of Wolverhampton Council). It is important to note that the transactions and balances of the Funds are completely separate and not combined with those of the Administering Authority.
- 2.5 This year, the draft accounts are required to be certified by the Section 151 Officer on or before 1 August 2021. This certification was provided by the City of Wolverhampton Council's Director of Finance during June 2021.
- 2.6 The final version of the Statement of Accounts for publication will be presented to the Pensions Committee with the Annual Report and the findings of the external auditor's work including their audit opinion. Under the City of Wolverhampton Council's constitution, formal approval of the audited Statement of Accounts rests with its Audit Committee; this does not apply to the other parts of the Annual Report which will be presented to Pensions Committee for approval.

3.0 Accounts Closure and Preparation of the Annual Report

- 3.1 Despite challenging times and a number of conflicting pressures, the Fund has succeeded in preparing its draft Statement of Accounts well within the revised statutory deadline. This is due to careful planning, resource management and close monitoring.

3.2 An Annual Report will be prepared to include the finalised version of the Statement of Accounts and presented to the September 2021 meeting of the Pensions Committee and October 2021 meeting of the Local Pensions Board.

3.3 The Fund's external auditors undertook interim audit work with the Fund prior to year end to include testing samples of investments and benefits payment transactions to the end of December 2020 and the main audit visit commenced (remotely again) in mid June.

4.0 Draft Statement of Accounts 2020/2021

4.1 The purpose of the Statement of Accounts is to report the Fund's financial performance for the year and its balances and reserves at the year-end. There are two primary statements: the Fund Account, which is concerned with transactions during the year and the Net Assets Statement which reports balances at the year-end. These are supplemented by a series of notes to the accounts which expand on items in the primary statements or provide further information about the Fund.

4.2 The draft Statement of Accounts show the estimated value of the Fund increased by some £3.6bn over the year due to gains in the value of investment assets (£3.1bn) and a surplus of contributions income over benefits expenditure (£0.5bn).

4.3 There are two main reasons behind the increase. Global investment markets suffered sharp and unexpected falls in the last few weeks of the prior financial year due to the impact of the COVID-19 pandemic and the valuation of the Fund's investments was some £1.4bn lower than had originally been forecast for end of March 2020. During 2020/2021, investment markets have experienced a 'bounce back' making significant recoveries which pushed valuations back up to pre-COVID levels and then beyond. This is reflected in the reported £3.1bn of net investment return.

4.4 Secondly, the balance of contributions income over benefits expenditure, £0.5bn, is positive this year because most of the Council bodies opted to pay three years worth of Future Service and Past Service Deficit contributions in advance in April 2020 following the results of the March 2019 triennial Actuarial Valuation. These significant cash receipts have been accounted for fully in this year's Statement of Accounts.

4.5 The figure for contributions receivable also includes £10.9m paid by employers to cover early retirement strain costs, reflecting the additional contributions received as a result of employer staffing decisions taken during the year.

4.6 Net assets of the Fund at 31 March 2021 stood at £18.9bn, up from £15.3bn at 31 March 2020. This comprises investment assets of £18.7bn, an insurance contract valued at £200m and working balances of £31m.

4.7 The Fund has taken the option under the Code to disclose the present value of all fund employer pension liabilities in a note to the accounts. This value, calculated on an IAS 19 basis, stood at £29.9bn at 31 March 2021. This is an increase on the 31 March 2020 figure of £23.1bn due to adjustments to the actuarial assumptions.

- 4.8 The draft Statement of Accounts for the West Midlands Pension Fund was approved by Pensions Committee on 23 June and is attached at Appendix A.

5.0 Investment Management Costs 2020/21

- 5.1 CIPFA guidance, introduced in 2014, requires the disclosure of all investment management costs including fees which are deducted at source by external investment managers. External investment management costs deducted at source saw a significant increase on the prior year at £80.7 million up from £67.2 million, whilst some of this reflects growth in assets under management and performance fees, additional transparency on 'hidden expenses' has meant the Fund has been able to capture greater detail on costs over 2020/2021.
- 5.2 The Fund continues to take a transparent approach with investment management costs using still relatively new industry-wide cost capture templates to obtain even higher levels of cost transparency from the investment managers most notably, in the recording of transaction costs associated with turnover within individual portfolios. The following table analyses the total investment management costs reported above:

	Actual 2019/20 £m	Actual 2020/21 £m
External Investment Management Costs – Invoiced	10.5	14.5
External Investment Management Costs – Deducted at Source	67.2	80.7
External Investment Management Costs – LGPS Central	4.0	4.7
Total External Investment Management Costs	81.7	99.9
Internal Investment Management Costs	0.9	0.8
Total Investment Management Costs	82.6	100.7

Transparency and reporting of investment management costs

- 5.3 The Fund has undertaken additional data collection and analysis over the last few months to scrutinise cost transparency templates received as the Fund continues to strive to get full transparency over investment costs and capture those which hitherto, have not been transparent. The Fund has received more reporting templates and information again this year and discloses all costs information received including performance fees. Although there is a growing number of Funds and schemes aspiring to do the same, many other Pension Fund accounts do not currently include amounts close to full disclosure.
- 5.4 It should be noted that actual investment management costs are heavily influenced by market movements and investment performance and are therefore expected to fluctuate during the year and between years. Not all managers have returned cost reporting templates in time for review ahead of publication of the Statement of Accounts. Where there are gaps, base management fees (the largest element of cost) have been

estimated but not other potential fees, as the Fund does not hold information to estimate with any accuracy. Portfolio changes during the year and asset allocation or strategic changes will also impact the development of costs over time.

- 5.5 The challenges of cost data collection and comparison were highlighted in research by the Cost Transparency Initiative (CTI) published by the PLSA in May this year – coverage, consistency and accuracy appear to be barriers to wider use in reporting but there is an increased call for mandatory adoption and guidance on disclosure to improve consistency and benchmarking to enable pension schemes to be better equipped to challenge their investment managers and make appropriate comparisons.

6.0 Annual Report 2020/2021

- 6.1 The finalised Annual Report will be made available on the Fund's website in the Autumn. The contents of the Annual Report will be as follows:

- Introduction
- Management and Financial Performance
- Investment Policy and Performance
- Scheme Administration Report
- Actuarial Report
- Governance Arrangements
- Statement of Accounts
- Pensions Administration Strategy
- Funding Strategy Statement
- Investment Strategy Statement
- Communications Policy Statement
- Further Information

7.0 Financial implications

- 7.1 The financial implications are discussed in the body of the report.

8.0 Legal implications

- 8.1 The Statement of Accounts of the Administering Authority (of which the Fund's accounts form part) must be prepared in accordance with the statutory framework established by the Accounts and Audit Regulations 2015. The audit of the financial statements will be undertaken in accordance with the statutory framework established by sections 3 and 20 of the Local Audit and Accountability Act 2014.
- 8.2 The Accounts and Audit (amendment) Regulations 2021 came into force on 31 March and extend the publication date for local authority audited accounts to 30 September 2021 with the public inspection period starting on the first working day of August 2021.

- 8.3 Under LGPS Regulations, Administering Authorities are required to produce and publish a pension fund annual report, including information about the management and financial performance of the Fund by 1 December each year.

9.0 Equalities implications

- 9.1 This report has no direct equalities implications.

10.0 All other implications

- 10.1 This report has no other direct implications.

11.0 Schedule of background papers

- 11.1 Budget Monitoring 2020/21 and Quarterly Accounts to 31 December 2020, Report to Pensions Committee, 24 March 2021
<https://wolverhampton.moderngov.co.uk/documents/s168531/Budget%20Monitoring%202020-2021%20and%20Quarterly%20Accounts%2031%20December%202020.pdf>
- 11.2 External Audit Plan 2020/21, Report to Pensions Committee, 24 March 2021
<https://wolverhampton.moderngov.co.uk/documents/s168541/External%20Audit%20Plan%20202021.pdf>
- 11.3 Perceptions of the CTI Framework – research published by the PLSA in May 2021
[CTI-Perceptions-Report-May-2021.pdf \(plsa.co.uk\)](#)

12.0 Schedule of appendices

- 12.1 Appendix A: Draft WMPF Statement of Accounts 2020/2021

Appendix A

WEST MIDLANDS PENSION FUND STATEMENT OF ACCOUNTS FOR THE YEAR ENDING 31 MARCH 2021

Fund Account

2019/20 £m		Note	2020/21 £m
	Contributions & Benefits		
353.2	Contributions Receivable	P8	1,182.7
31.2	Transfers In	P9	22.3
14.3	Other Income	P10	13.9
398.7	Total contributions and other income		1,218.9
(637.8)	Benefits Payable	P11	(646.8)
(40.0)	Payments to and on account of leavers	P12	(31.0)
(0.9)	Other Payments		(0.4)
(678.7)	Total benefits and other expenditure		(678.2)
(280.0)	Net additions/(withdrawals) from dealings with members		540.7
(91.5)	Management Expenses	P13	(110.2)
491.7	Transfer in of WMITA Fund at market value	P9	-
	Returns on Investments		
178.2	Investment Income	P14	84.8
(745.1)	Changes in Value of Investments	P16	3,123.8
20.7	Revaluation of bulk annuity insurance buy-in contract	P17	(14.1)
(546.2)	Net return on investments		3,194.5
(426.0)	Net Increase/(decrease) in the Fund during the year		3,625.0
15,714.1	Net Assets of the Fund at the beginning of the year		15,288.1
15,288.1	Net Assets of the Fund at the end of the year		18,913.1

Net Assets Statement

31 March 2020 £m		Note	31 March 2021 £m
	Investment Assets (at Market Value)	P15	
494.0	Bonds		508.4
28.9	UK Equities		27.0
1,408.8	Overseas Equities		2,567.5
10,869.9	Pooled Investment Vehicles		13,640.8
965.1	Property		1,014.0
11.7	Derivatives - Futures		-
-	Derivatives - Forward Foreign Exchange		3.1
582.5	Foreign Currency Holdings		399.6
569.6	Cash Deposits		498.2
75.8	Other Investment Assets		19.2
7.0	Outstanding Dividend Entitlement and Recoverable With-Holding Tax		7.5
15,013.3	Investment Assets		18,685.3
	Investment Liabilities (at Market Value)	P15	
(76.8)	Derivatives - Forward Foreign Exchange		-
	Derivatives - Futures		(2.3)
(76.8)	Investment Liabilities		(2.3)
14,936.5	Net Investment Assets		18,683.0
229.4	Bulk annuity insurance buy-in contract	P17	200.0
14.5	Long-Term Debtors	P19	10.2
132.4	Current Assets	P20	40.4
(24.7)	Current Liabilities	P21	(20.5)
15,288.1	Net Assets of the Fund at the end of the year		18,913.1

The accounts summarise the transactions of the Fund and deal with the net assets at its disposal. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits is disclosed at note 6.

The notes form part of these financial statements.

Notes to the Pension Fund Statements

Note P1 - General

The description in this note is a high-level summary of the Fund's activities and more detail is available in the Fund's Annual Report which can be found on its website.

West Midlands Pension Fund is part of the Local Government Pension Scheme and is administered by the City of Wolverhampton Council on behalf of all local authorities in the West Midlands and other employers who have members in the Fund. Membership of the Fund is available to all local government employees including non-teaching staff of schools and further and higher education corporations in the West Midlands region together with employees of scheduled and admitted bodies. At 31 March 2021, the Fund had 743 actively participating employers and 335,101 members as set out in the following table. A full list of participating employers can be found in the Fund's Annual Report.

31 March 2020		31 March 2021	
No.		No.	
117,950	Active Members	113,644	
104,045	Pensioner Members	106,899	
111,939	Deferred Members	114,558	
333,934	Total	335,101	

In 2019/20, following the enactment of UK Statutory Instrument 2019 No. 1351 ("the Local Government Pension Scheme (West Midlands Integrated Transport Authority Pension Fund and West Midlands Pension Fund Merger) Regulations 2019, all the assets and liabilities of the former West Midlands Integrated Transport Authority Pension Fund (WMITA) transferred to West Midlands Pension Fund. For any person for whom the appropriate Administering Authority had been, or would have been, the West Midlands Combined Authority, the appropriate Administering Authority became City of Wolverhampton Council. The regulations effecting this change came into full legal force on 8 November 2019 but with retrospective effect in a legal and accounting sense from 1 April 2019 (the "merger date" cited in the legislation).

The responsibility for administering the Fund is delegated to the Council's Pensions Committee . It meets at approximately quarterly intervals and has members from each of the seven metropolitan district councils in the West Midlands. A Pensions Board was also in operation during 2020/21. Membership of the Committee and Board can be found on the City of Wolverhampton Council website: <http://wolverhampton.moderngov.co.uk/mgListCommittees.aspx?bcr=1>

The scheme is governed by the Public Services Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- (i) The Local Government Pension Scheme Regulations 2013 (as amended)
- (ii) The Local Government Pension Scheme (Transitional Provisions, Saving and Amendments) Regulations 2014 (as amended)
- (iii) The Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2016

The scheme is a contributory defined benefit pension scheme. Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2021. In addition to employee contributions, employers' contributions are paid as set based on triennial actuarial funding valuations. The valuation in relation to 2020/21 contribution rates was conducted at 31 March 2019 . Employer contribution rates during 2020/21 ranged from 15.5% to 38.6% of pensionable pay.

Major changes were introduced to the LGPS from 1 April 2014, in particular, the move from basing pensions on final salaries to career-average revalued earnings (CARE) with an accrual rate of 1/49th and pensions uprated annually in line with the Consumer Price Index. Pension entitlements accrued prior to this date continue to be based on final salary.

Further to direction from government, local authority investment pools have been created to bring together the investment assets of LGPS pension funds into eight Investment Pools. LGPS Central Limited (LGPSCL), the company established to manage investments on behalf of eight LGPS funds including West Midlands Pension Fund (WMPF), received authorisation from the Financial Conduct Authority in 2018 and the LGPS Central regional investment asset pool went live on 1 April 2018.

As at 31 March 2021, WMPF had assets of £7,869m managed in LGPSCL sub-funds comprising £7,670m managed through Authorised Contractual Scheme (ACS) sub-funds and a further £199m managed through a Scottish Limited Liability Partnership vehicle.

Work is underway to develop further LGPS Central Limited sub-funds in collaboration with LGPS Central investment asset pool Partner Funds and WMPF will continue to review the decision to transition assets on a case by case basis dependent on the sub-fund meeting the strategic requirements of WMPF. The transition of the Fund's remaining assets into products offered by LGPS Central Limited is expected to take several years.

WMPF has a number of advisory arrangements in place with LGPSCL to support with advice and sometimes to facilitate execution on the underlying assets of legacy portfolios managed directly by the Fund. It is likely that some of these advisory and execution mandates will remain in place for some time to come due to the illiquid nature of the investments and the cost effectiveness of transition.

Note P2 - Basis of Preparation

The Statement of Accounts summarises the Fund's transactions for the 2020/21 financial year and its financial position as at 31 March 2021. The accounts have been prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom 2020/21* (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note P6 of these accounts.

As disclosed above, during 2019/20 all assets and liabilities of the former West Midlands Integrated Transport Authority Pension Fund transferred to the West Midlands Pension Fund and transactions occurring after that date (on an accruals basis) are attributable to WMPF. The relevant assets and liabilities were treated in the accounts as having been transferred at the values applicable on the "merger date" 1 April 2019. The Fund Account for 2019/20 therefore included:

- a transfer (shown separately) of the total market value of WMITA as at 1 April 2019 including accrued income and expenses at that date.
- all income and expense transactions related to the former WMITA Pension Fund since 1 April 2019 shown on a consolidated basis.

The transfer value of the WMITA Fund shown in the accounts was based on the Net Assets Statement in the audited accounts of the WMITA Fund for the year to 31 March 2019. The audit was performed by Grant Thornton LLP and their audit report was signed in July 2019.

The accounts have been prepared on a going concern basis.

Note P3 - Statement of Accounting Policies

A. Fund account

In the Fund Account, income and expenditure are accounted for in the year in which they accrue by the creation of payables and receivables at the year end where necessary. Provision has not been made where the amount payable or receivable in relation to transfers was not agreed at the year end (see note P9).

B. Contribution income

Contributions receivable have been included in the accounts on the accruals basis at the rates recommended by the Fund's actuary for basic contributions. Additional contributions (including past service deficit contributions and excluding additional voluntary contributions) as notified by employers for the period have also been included. Past service deficit contributions are accounted for in the year in which they are payable under the schedule of contributions set by the scheme actuary.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid is classed as a current financial asset with amounts due after the following year classed as long-term financial assets.

Where employing organisations have not submitted all of the certified returns of contributions payable by the due date for preparation of these accounts, an estimate has been made based on the monthly returns actually received from these bodies.

C. Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who had either transferred benefits in or out of the scheme as at 31 March 2021, calculated in accordance with the Local Government Pension Scheme Regulations (see notes to the accounts). Transfers in respect of individuals are accounted for when received or paid which is normally when the member liability is accepted or discharged. Group transfers are accounted for on an accruals basis in accordance with the terms of the transfer agreement.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are reported within transfers in.

D. Investment Income**i) Interest Income**

Interest income is recognised in the Fund Account as it accrues using the effective interest rate of the financial instrument as at the date of acquisition or origination.

ii) 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.

iii) Distributions from Pooled Funds

Distributions from pooled funds are recognised at the date of issue.

Investment income arising from the underlying investments of pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles. This is reflected in the relevant unit price and reported within 'Change in Market Value'.

iv) Property-Related Income

Property-related income (consisting primarily of rental income from operating leases) is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.

v) Changes in the Value of Investments

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

vi) Stock lending income

Stock lending income is accounted for on a cash basis.

E. 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.

F. Benefits payable

Pensions and lump sum benefits payable include all amounts known to be due as at 31 March 2021. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

G. Financial assets

The LGPS Central pool trading company, LGPS Central Limited, only became licensed to trade on 1 April 2018. The Pension Fund's view is that for 31 March 2021, cost is still an appropriate estimate of the fair value of shares held in this company.

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. 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 this date, any gains or losses arising from changes in the fair value of the asset are recognised in the Fund Account.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see note 17 to the accounts). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, [www.ipr.org.uk](#))

H. Freehold and leasehold properties

Properties are valued annually as at the year end by independent valuers on a fair value basis. The market values included in these accounts are contained in a valuation report by Savills plc (in accordance with Royal Institute of Chartered Surveyors valuation standards) as at 31 March 2021. All investment property assets are subject to annual revaluation, one third of the commercial property portfolio is valued fully in March each year with the remaining two thirds being a 'desktop' valuation. Agricultural properties were valued by Browns, agricultural valuers, at the same date.

I. Foreign currencies

Investments held in foreign currencies have been valued as set out in paragraph g) above and translated at exchange rates ruling at 31 March 2021.

Dividends, interest and purchases and sales of investments have been accounted for at the spot market rates at the date of transaction. End of year spot market exchange rates have been used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at 31 March 2021.

J. Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Purchases and sales of derivatives are recognised as follows:

Futures – on close out or expiry the variation margins are recognised as cash receipts or payments depending on whether there is a gain or loss.

Forward currency contracts settlements are reported as gross receipts and payments.

K. Movement in the net market value of investments

Any gains or losses arising on translation of investments into sterling are accounted for as a change in the market value of investments.

L. Cash and cash equivalents

Cash comprises cash in hand and 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 value.

M. Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

N. Management expenses

The Fund discloses its management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses 2016.

All administrative expenses are accounted for on an accruals basis. The costs of Fund officers are recharged to the Fund along with all other costs incurred directly on Fund activities and an apportionment for corporate support services provided by the administering authority.

All investment management expenses are accounted for on an accruals basis. External investment management and custodian fees are agreed in management or custody agreements governing the administration of the individual mandates. Fees are generally based on the valuation of the underlying investments either being managed or in safe custody. In addition, performance-related fees are negotiated with a number of managers and the amounts of such fees are provided in a note to the accounts.

Where a management fee notification has not been received by the time of preparing these accounts, an estimate based upon the market value of the relevant mandate is used for inclusion in the Fund

The cost of any 'in-house' Fund investment activity is included in investment management expenses.

O. Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (see note P5).

P. Additional voluntary contributions

The Fund provides an additional voluntary contributions (AVC) scheme for its members the assets of which are invested separately from those of the Fund. The Fund has appointed Prudential Assurance Company Limited and Ultmost Life and Pensions as its AVC providers. AVCs are paid to the provider by employers and are specifically for providing additional benefits for individual contributors. Each contributor receives an annual statement showing the amount held in their 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 (see note P22).

The AVC arrangements pertaining to the former WMITA Fund have transferred to West Midlands Pension Fund under the merger. These arrangements with Prudential Assurance Company Limited and Ultmost Life and Pensions Limited operate on the same basis as described above and will continue to be provided within the West Midlands Pension Fund.

Note P4 - Critical judgements in applying accounting policies

Unquoted private equity investments

The valuation of unquoted securities is based on the latest investor reports and financial statements provided by the fund managers of the underlying funds adjusted for transactions arising after the date of such reports. A discount may be applied by the fund manager where trading restrictions apply to such securities. Where the first investor valuation report has not been received from the fund manager the security is valued at cost. The value of unquoted private equity at 31 March 2021 was £1,315.5 million (£1,203.3 million at 31 March 2020).

Bulk annuity insurance buy-in contract

The transfer of assets from the WMITA Fund included a bulk annuity insurance buy-in contract with Prudential Retirement Income Limited. The insurance cover provides that the insurer underwrites the risk for meeting the liabilities of a specified group of pensioners on the WMITA pensions payroll as at 11 August 2011. The insurance provider will pay the cost of the monthly pension payments for this group whilst they or their dependants are entitled to a pension.

The bulk annuity insurance buy-in contract is included in the Net Assets Statement as an asset and is valued at year end by the Actuary.

Pension Fund liability

The pension fund liability is calculated every three years by the appointed Actuary with annual updates in the intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the Actuary and are summarised in Note P6. This estimate is subject to significant variances based on changes to the underlying assumptions.

Note P5 - Assumptions made about the future and other major sources of estimation uncertainty

Actuarial present value of promised retirement benefits

Uncertainties

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. Barnett Waddingham, the Fund's consulting Actuaries, are engaged to provide expert advice about the assumptions to be applied.

Effect if actual results differ from assumptions

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase in the discount rate assumption would result in a decrease in the pension liability; however, an increase in assumed earnings inflation or assumed life expectancy would significantly increase the pension liability as detailed by the Fund's consulting Actuary below:

Change in assumptions - year ended 31 March 2021	Approx. % increase in liabilities	Approx. monetary value £m
0.5% p.a. decrease in discount rate	11%	3,236.3
1 year increase in member life expectancy	5%	1,462.7
0.5% p.a. increase in salary increase rate	1%	310.7
0.5% p.a. increase in CPI inflation	10%	2,880.9

Fair value of investments

Uncertainties

Certain types of investments are not publicly listed and, as such, there is a degree of estimation involved in their valuation.

COVID-19 valuation uncertainty

During the year to 31 March 2021, the impact of COVID-19 led to valuation challenges regarding certain illiquid assets. On 17 March 2020, the Royal Institute of Chartered Surveyors (RICS) recommended that surveyors use a material valuation uncertainty clause in property valuations due to the unprecedented circumstances caused by the pandemic and the corresponding absence of market evidence on which to base judgements. Throughout the year, such clauses applied to fewer and fewer assets as market uncertainty gradually receded and on 9 September 2020, RICS formally lifted its recommendation.

Obtaining timely valuation is a perennial issue with Private Equity where the valuation of investment vehicles often has to be 'stale' or 'lagged' due to the unavailability of pricing information as at the Fund's year end date (by the time the Statement of Accounts has been prepared and audited). Valuations are by necessity estimated and may not fully reflect the performance of the vehicles underlying the investments.

Effect if actual results differ from assumptions

The use of estimates for investment values is greatest for those assets classified at Level 3 which means there is a risk that these investments may be over/under stated in the accounts. The total value of Level 3 investments is £3,920.7m at 31 March 2021 (£3,806.1m at 31 March 2020). The assets classified as Level 3 and the sensitivity of the valuation methods employed is described in note 17.

Note P6 - Actuarial valuation of the Fund

The contribution rates applicable to the period 1 April 2020 to 31 March 2023 were determined by the Fund's Actuary, G Muir of Barnett Waddingham LLP as part of the full actuarial valuation of the Fund made as at 31 March 2019.

On the basis of the assumptions adopted, the 2019 valuation revealed that the value of the Fund's assets of £15,634 million represented 94% of the funding target of £16,648 million at the valuation date. The valuation also showed that a primary rate of contribution of 20.4% of pensionable pay per annum was required from employers. The common rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

In general, the Fund applies a maximum deficit recovery period of 17 years. The aim is to achieve 100% solvency over the period and to provide stability in employer contribution rates.

In practice, each individual employer's position is assessed separately and the contributions required are set out in the report dated 31 March 2020. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the Funding Strategy Statement (FSS). Different approaches adopted in implementing contribution increases and deficit recovery periods are as determined through the FSS consultation process.

As a result of the valuation, a revised Rates and Adjustments certificate was prepared for the three years commencing 1 April 2020. For comparison purposes, the figures for the two preceding years are also shown. The minimum payable by the seven councils was certified as follows:

	Future Service Rate (% of pay) plus lump sum (£)				
	2018/19	2019/20	2020/21	2021/22	2022/23
Birmingham City Council	16.8% plus £61.8m (£124.0m)	18.3% plus £61.5m (£124.2m)	21.3% plus £48.2m (£124.2m)	21.3% plus £49.9m (£123m)	21.3% plus £51.8m (£121.9m)
Coventry City Council	16.8% plus £12m (£31.1m)	16.8% plus £12m (£31.1m)	20.4% plus £3.6m (£32.9m)	20.4% plus £3.7m (£32.6m)	20.4% plus £3.9m (£32.3m)
Dudley MBC	17.0% plus £9.7m (£31.3m)	18.6% plus £9.6m (£32.3m)	20.7% plus £3.0m (£31.5m)	20.7% plus £3.1m (£30.6m)	20.7% plus £3.2m (£29.9m)
Sandwell MBC	16.2% plus £17m (£17.0m)	17.7% plus £16.9m (£16.9m)	20.5% plus £10.5m (£10.3m)	20.5% plus £10.9m (£10.2m)	20.5% plus £11.3m (£10.1m)
Solihull MBC	16.5% plus £5.1m (£16.6m)	18.4% plus £5.1m (£17.4m)	20.7% plus £2.9m (£19.9m)	20.7% plus £3.0m (£19.4m)	20.7% plus £3.1m (£19.0m)
Walsall MBC	16.9% plus £14.8m (£30.2m)	18.3% plus £15m (£31.5m)	20.3% plus £9.8m (£30.2m)	20.3% plus £10.1m (£30.0m)	20.3% plus £10.5m (£29.7m)
City of Wolverhampton Council	16.8% plus £14m	18.1% plus £14.6m	20.0% plus £6.8m (£28.8m)	20.0% plus £7.1m	20.0% plus £7.3m

The amounts shown in brackets are due in the year where the Council has opted to make a cash payment in advance. These amounts were received by the Fund in April 2020. The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Funding Target and the common contribution rate were as follows:

	2019	2016
Rate of return on investments:	4.6% per annum	4.7% per annum
Rate of pay increases:	3.6% per annum	3.9% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension):	2.6% per annum	2.4% per annum

The assets were assessed at market value.

The 31 March 2019 Actuarial Valuation report can be found on the Fund's website.

Actuarial present value of promised retirement benefits for the purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed and for this purpose, the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, the following financial assumptions have been used:

	31 March 2020	31 March 2021
Rate of return on investments (discount rate)	2.35% per annum	2.00% per annum
Rate of pay increases	2.90% per annum	3.85% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	1.90% per annum	2.85% per annum

The total value of the Fund's promised retirement benefits for the purposes of IAS 26 as at 31 March 2020 was estimated as £23,091.8 million. The effect of the changes in actuarial assumptions between 31 March 2020 and 31 March 2021 as described above is to increase the liabilities by £6,723.6 million. Adding interest over the year increases the liabilities by £523.9 million and allowing for net benefits accrued/paid over the period increases the liabilities by £154.3 million (this includes any increase arising as a result of early retirements/augmentations). There is a decrease of £288.8 million as a result of allowing for actual experience or outcomes which were different when viewed in hindsight to that assumed previously and, a change in mortality rates assumptions decreases liabilities by a further £300.1 million. Last year, the merger with the WMITA Fund added £543.3m of liabilities which have increased by £63.8m during 2020/21 to £607.1m at 31 March 2021.

The net effect of all the above is that the estimated total value of the Fund's promised retirement benefits as at 31 March 2021 is therefore £29,968.5 million.

Note P7 - Taxation

1. Value added tax (VAT)

The Fund (as part of the City of Wolverhampton Council) pays VAT collected on income in excess of VAT payable on expenditure to HMRC. The accounts are shown exclusive of VAT.

2. Taxation of overseas investment income

The Fund receives interest on its overseas bonds gross but a variety of arrangements apply for the taxation of dividends on overseas equities in the various markets.

In some markets, a lower-than-standard tax rate is available, either as a result of a double tax treaty in place between the UK and the investment country (e.g. Poland, Canada, Italy, Sweden) or based on favourable domestic legislation (e.g. Australia, Czech Republic, Singapore). Where this is the case, relief may be granted at source based on documentation already on file (e.g. USA, Belgium, Australia, Finland, France and Norway), or ex post via reclaim forms submitted to the local tax authorities (e.g. Austria, Denmark, Germany, Netherlands, Switzerland and Spain).

There are also markets where relief is not possible - either no double taxation agreement exists (e.g. Brazil, Colombia, Lebanon), or a 'subject to tax' clause prevents UK pension funds from benefiting from treaty rates (e.g. Israel, Malaysia, Portugal). In such cases, the full amount of tax is withheld and is final.

Note P8 - Contributions receivable

Contributions receivable by type

2019/20 £m		2020/21 £m
	From employers	
170.3	Contributions	742.1
42.6	Past service deficit	303.9
-	Augmented membership	-
19.2	Additional cost of early retirement	10.9
232.1		1,056.9
	From members	
120.5	Basic contributions	125.3
0.6	Additional contributions	0.5
121.1		125.8
353.2	Total contributions	1,182.7

Following the actuarial valuation as at 31 March 2019, some employers chose to pay their full three-year future service and past service deficit contributions in advance as a lump sum in 2020/21. The lump sums paid by the seven councils have been accounted for fully in 2020/21 and are listed in the table in note 6. The additional contributions above represent the purchase of added membership or additional benefits under the pension scheme.

Contributions receivable by type of employer

2019/20 £m		2020/21 £m
9.1	Administering authority	51.0
300.4	Other scheduled employers	1,087.3
43.7	Admitted employers	44.4
353.2	Total	1,182.7

Note P9 - Transfers in

2019/20 £m		2020/21 £m
-	Group transfers	-
31.2	Individual transfers	22.3
31.2	Total	22.3

Analysis of transfer value from West Midlands Integrated Transport Authority Pension Fund

1 April 2019 £m	
263.5	Investments transferred in specie
224.5	Bulk annuity insurance buy-in contract
3.9	Cash deposits
0.6	Current assets
(0.8)	Current liabilities
491.7	Total

Note P10 - Other income

2019/20 £m		2020/21 £m
	Benefits recharged to employers	
7.4	Compensatory added years	7.1
6.9	Pensions increases	6.8
14.3	Total	13.9

Note P11 - Benefits payable

Benefits payable by type

2019/20 £m		2020/21 £m
	Pensions	
485.9	Retirement pensions	499.1
30.0	Widows' pensions	33.8
1.0	Children's' pensions	1.1
6.1	Widowers' pensions	6.7
0.2	Ex-spouses' pensions	0.2
0.2	Equivalent pension benefits	0.2
0.5	Co-habiting partners' pensions	0.3
-	Civil Partnership	0.1
-	Amounts due to Estate	0.1
523.9	Total pensions	541.6
	Lump sum benefits	
100.0	Retiring allowances	87.5
13.9	Death grants	17.7
113.9	Total lump sum benefits	105.2
637.8	Total benefits payable	646.8

Benefits payable by type of employer

2019/20 £m		2020/21 £m
51.5	Administering authority	50.4
507.2	Other scheduled employers	543.2
79.1	Admitted employers	53.2
637.8	Total	646.8

Note P12 - Payments to and on account of leavers

2019/20 £m		2020/21 £m
37.6	Individual transfers	29.2
2.4	Refunds of contributions	1.8
-	State scheme premiums	-
-	Bulk pension transfer increases	-
40.0	Total	31.0

Note P13 - Management expenses

2019/20 £m		2020/21 £m
6.0	Administrative costs	6.3
82.6	Investment management expenses, comprising:	100.8
2.9	Oversight and governance costs	3.1
91.5	Total	110.2

Included in administrative costs of £6.3m above are external audit fees of £68,980 (2019/20: £72,930). The charge for 2020/21 comprises the current year audit fee of £61,685 and a provision of £7,295 for additional costs arising from the impact of the Covid 19 Pandemic on Grant Thornton's work in completing the 2019/20 audit.

The guidance requires that external investment management fees that are deducted from asset values (rather than invoiced and paid directly) are shown gross. Wherever possible, the figures are based on actual costs disclosed by the manager; where actual costs were not available, best estimates have been made using other available information.

Note P13 i) - Investment management expenses

2020/21	Total £m	Management fees £m	Performance related fees £m	Transaction costs £m
Equities	11.9	7.9	-	4.0
Fixed interest	0.4	0.4	-	-
Pooled investments *	24.2	9.6	-	14.6
Pooled property investments	8.2	7.2	(0.8)	1.8
Private equity	39.5	23.9	15.6	-
Property	2.5	1.5	-	1.0
Infrastructure	6.0	4.1	0.7	1.2
Absolute return	6.7	6.6	0.1	-
Derivatives	0.7	0.7	-	-
Cash, cash equivalents & fx contracts	0.3	0.3	-	-
Total	100.4	62.2	15.6	22.6
Custody fees	0.4			
Total	100.8			

* Includes £4.8m charged to the Pension Fund by LGPS Central Limited regional asset pool (2019/20: £4.0m).

2019/20	Total £m	Management fees £m	Performance related fees £m	Transaction costs £m
Equities	8.0	6.0	-	2.0
Fixed interest	0.5	0.5	-	-
Pooled investments	23.1	12.0	1.9	9.2
Pooled property investments	3.4	2.7	0.6	0.1
Private equity	32.5	21.9	9.8	0.8
Property	2.4	1.5	-	0.9
Infrastructure	3.7	4.0	(0.4)	0.1
Absolute return	8.0	6.8	0.1	1.1
Derivatives	0.4	0.4	-	-
Cash, cash equivalents & fx contracts	0.3	0.3	-	-
Total	82.3	56.1	12.0	14.2
Custody fees	0.3			
Total	82.6			

Note P14 - Investment Income

2019/20 £m		2020/21 £m
	Dividends and Interest	
	Bonds	
7.1	UK private sector – quoted	7.9
	Equities	
0.9	UK private sector – quoted	-
39.9	Overseas	23.2
	Pooled Investment Vehicles	
74.1	UK private sector – quoted	1.0
6.8	Overseas equities	4.7
9.4	Interest on cash deposits	1.7
0.7	Stocklending	0.8
2.1	Other investment income	5.6
141.0	Total dividends and interest	44.9
47.4	Property management income	48.5
(10.2)	Property management expenses	(8.6)
37.2	Total property management	39.9
178.2	Total investment income	84.8

Stocklending

As at 31 March 2021, £482.6 million of stock was on loan to an agreed list of approved borrowers through the Fund's custodian in its capacity as agent lender (31 March 2020: £384.3 million). The loans were covered by non-cash collateral in the form of equities, gilts, DBVs and G10 sovereign debt totalling £521 million and giving a margin of 8.0% (31 March 2020, £416 million, margin of 8.2%).

Collateral is marked to market, adjusted daily and held by a third party agent on behalf of the Fund. Net income from stocklending amounted to £0.8 million during the year (2019/20: £0.7 million). The Fund retains its economic interest in stocks on loan and their value is included in the Fund valuation. There is however, an obligation to return collateral to the borrowers and its value is therefore excluded from the Fund valuation. The securities lending programme is indemnified to give the Fund further protection against losses.

During the period the stock is on loan, the voting rights on the loaned stock pass to the borrower.

There are no liabilities associated with the loaned assets.

Other investment income

Other investment income includes the following; Class action income, liquidation proceeds and tax refunds.

Note P15 - Net investment assets

	31 March 2020 £m	31 March 2021 £m
Bonds		
186.6 UK companies – segregated (external)		222.4
307.4 Overseas Sovereign - Index Linked		286.0
494.0		508.4
UK equities		
26.9 Quoted		25.0
2.0 Unquoted		2.0
28.9		27.0
Overseas equities		
61.9 Quoted		181.1
1,346.9 Quoted – segregated (external)		2,386.4
1,408.8		2,567.5
Pooled investment vehicles		
Managed funds		
632.5 UK fixed interest		659.8
1,051.4 Other fixed interest		1,876.7
971.0 UK quoted, index linked		961.9
856.0 UK quoted equities (pooled assets)		1,081.7
4,425.9 Overseas quoted equities (pooled assets)		6,093.1
772.8 Infrastructure		819.7
1,203.3 Private equity		1,315.5
464.9 UK absolute returns		356.6
63.3 Overseas absolute returns		54.1
45.3 Multi asset credit		-
79.7 UK property		188.3
156.0 Overseas property		122.0
Unit trusts		
40.4 UK quoted equities		-
107.3 UK property		111.4
- Overseas equities		-
0.1 Overseas property		-
10,869.9		13,640.8
Property		
918.9 UK freehold		1,014.0
46.2 UK leasehold*		-
965.1		1,014.0
Derivative contracts		
11.7 Futures		-
- Forward currency contracts		3.1
11.7		3.1
Foreign currency holdings		
0.4 Australian dollars		0.5
0.6 Canadian Dollars		0.6
1.3 Czech Koruna		1.3
0.5 Danish Kroner		0.6
113.3 Euro		73.6
135.7 Hong Kong Dollars		31.3
0.6 Hungarian Forints		0.6
5.9 Japanese Yen		5.2
1.9 Mexican Peso		2.2
0.5 New Zealand Dollars		0.5
0.4 Norwegian Kroner		0.5
0.5 Polish Zloty		0.5
1.3 Singapore Dollars		1.4
2.9 Swedish Kroner		2.9
5.2 Swiss Francs		4.8
1.0 Turkish Lira		0.7
310.5 United States Dollars		272.4
582.5		399.6
Cash deposits		
456.7 UK		491.0
112.9 US		7.2
569.6		498.2
Other investments		
75.8 Broker balances		19.2
7.0 Outstanding dividend entitlement and recoverable with-holding tax		7.5
82.8		26.7
15,013.3 Total investment assets		18,685.3
Investment liabilities		
Derivative contracts		
(76.8) Forward currency contracts		-
- Futures		(2.3)
(76.8)		(2.3)
Other liabilities		
- Amounts payable for purchases		-
-		-
(76.8) Total investment liabilities		(2.3)
14,936.5 Net investment assets		18,683.0

* All leasehold properties are held on long leases

Segregated accounts are held separately from the main account by the global custodian and contain assets managed by some of the Fund's external managers.

The following investments represent more than 5% of the net assets of the Fund. All of these companies are registered in the UK.

31 March 2020			31 March 2021		
Market value £m	% of total market value %	Security	Market value £m	% of total market value %	
1,835.1	12.3	LGPS Central Global Ex UK Passive Equity Fund	2,532.6	13.6	
1,382.4	9.3	LGPS Central All World Equity Climate Multi Factor Fund	1,862.7	10.0	
850.9	5.7	LGPS Central UK Passive Equity Fund	1,075.4	5.8	
715.3	4.8	LGPS Central Global Equity Active Multi-Manager Fund	1,057.0	5.7	
971.0	6.5	Legal & General - All Stocks Index-Linked Gilt Fund	961.9	5.1	

The proportion of the market value of investment assets managed in the regional asset pool and by each external manager at the year-end is set out below.

31 March 2020			31 March 2021		
Market value £m	% of total market value %		Market value £m	% of total market value %	
Investments managed by LGPS Central Limited regional asset pool:					
4,366.3	29.2	Authorised Contractual Schemes (ACS) - global equities	6,010.1	32.2	
850.9	5.7	Authorised Contractual Schemes (ACS) - UK equities	1,075.4	5.8	
-	-	Authorised Contractual Schemes (ACS) - Fixed interest	584.8	3.1	
101.3	0.7	Non ACS private equity	198.9	1.1	
5,318.5	35.6		7,869.2	42.1	
Investments managed outside of LGPS Central Limited regional asset pool:					
2,142.9	14.3	In-house	2,120.7	11.4	
152.9	1.0	Managers: UK quoted	117.7	0.6	
1,042.1	7.0	Managers: emerging markets	1,448.3	7.8	
364.4	2.4	Managers: global equities	1,021.1	5.5	
3,148.9	21.1	Managers: fixed interest	3,422.0	18.3	
235.7	1.6	Managers: indirect property	310.3	1.7	
772.8	5.2	Managers: infrastructure funds	819.7	4.4	
573.5	3.8	Managers: absolute return	410.7	2.2	
1,102.0	7.4	Managers: private equity	1,116.6	6.0	
9,535.2	63.8		10,787.1	57.7	
82.8		Outstanding dividend entitlement and recoverable with-holding tax	26.7		
14,936.5		Net investment assets	18,683.0		

ANALYSIS OF DERIVATIVES

Objectives and policies for holding derivatives

The Fund utilises derivative instruments in line with investment policy and investment management agreements in place with third party investment managers.

a) Futures

In 2018/19, the Fund made a decision to transition assets out of an internal global equity portfolio and into a new sustainable global equities mandate. Recognising that there would be some lead time in implementing this strategy, as and when the existing portfolio was realised, proceeds were invested in global equity futures pending transition to the sustainables mandate. During 2020/21, the Fund made a significant transition into the sustainables mandate and has reduced its exposure to futures accordingly.

The Fund has also invested in gilt futures to help align the weighting in this area with its strategic target and as a tool for risk management. The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

b) Forward foreign currency

To reduce the volatility associated with fluctuating currency rates, the Fund has a passive currency programme in place. The Fund commenced its currency hedging programme in September 2017 following approval by Committee to amend the Strategic Investment Allocation Benchmark to reflect the passive currency management programme. The Fund's hedging programme aims to protect returns in sterling terms and reduce currency risk. The neutral hedge ratio is considered to be 50% based on the strategic weight of each region but actual hedge ratios applied will vary from time to time with a rebalancing taking place on a monthly basis to reflect changing market values.

c) Open forward currency contracts

Settlement	Currency Bought	Local value m	Currency Sold	Local value m	Asset value £m	Liability value £m
One to six months	GBP	390.7	EUR	454.4	3.1	-
Open forward currency contracts at 31 March 2021					3.1	-
Net forward currency contracts at 31 March 2021					3.1	-
Prior year comparative						
Open forward currency contracts at 31 March 2020					-	(76.8)
Net forward currency contracts at 31 March 2020					-	(76.8)

d) Open exchange traded futures contracts

Type	Expires	Economic exposure £m	Market value 31 March 2020 £m	Economic exposure £m	Market value 31 March 2021 £m
Assets					
UK equity	Under one year	71.3	6.6	55.5	(0.4)
Overseas equity	Under one year	469.2	2.6	141.4	(0.1)
UK bond	Under one year	158.3	2.5	148.3	(1.8)
Total assets			11.7		(2.3)

Note P16 - Investment market value movements analysis

	Value as at 31 March 2020	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Investment Management Fees Deducted at Source	Change in Market Value	Value as at 31 March 2021
	£m	£m	£m	£m	£m	£m
Bonds	494.0	28.6			(14.2)	508.4
UK equities	28.9				(1.9)	27.0
Overseas equities	1,408.8	450.0			708.7	2,567.5
Pooled investment vehicles	10,869.9	1,314.9	(839.0)	(80.6)	2,375.6	13,640.8
Property	965.1	63.0	(18.3)	-	4.2	1,014.0
	13,766.7	1,856.5	(857.3)	(80.6)	3,072.4	17,757.7
Derivative contracts						
Futures	11.7	-	(23.1)	-	9.1	(2.3)
Forward foreign exchange	(76.8)	-	37.6	-	42.3	3.1
	13,701.6	1,856.5	(842.8)	(80.6)	3,123.8	17,758.5
Broker balances	75.8					19.2
Outstanding dividend entitlement and recoverable With-holding tax	7.0					7.5
Foreign currency holdings	582.5					399.6
Cash deposits	569.6					498.2
Total Investments	14,936.5					18,683.0

The change in market value of investments comprises both increases and decreases in the market value of investments held at any time during the year and profits and losses realised on the sales of investments during the year.

Purchases also include transfers in of investments, take-over of shares etc. and invested income. Sales proceeds include all receipts from sales of investments, transfers out of investments, take-over proceeds etc. and reductions in cash deposits including profits or losses realised on the sale.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Fund such as fees, commissions, stamp duty and other fees. Transaction costs during the year amounted to £22.6 million (2019/20: £14.2 million). In addition to the transaction costs disclosed below, indirect costs are incurred through the bid-offer spread of investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Fund.

The volatility of investment markets is an ever-present and longstanding feature of pension fund management and valuations may vary, either up or down, throughout each day when exchanges are open.

The change in the value of investments during 2019/20 is set out below:

	Value as at 31 March 2019	Transfer of assets from WMITA fund	Purchases at cost and derivative payments	Sales proceeds and derivative receipts	Investment management fees deducted at source	Change in market value	Value as at 31 March 2020
	£m	£m	£m	£m	£m	£m	£m
Bonds	339.8	-	99.6	-	-	54.6	494.0
UK equities	40.0	-	-	(11.5)	-	0.4	28.9
Overseas equities	1,301.3	-	353.3	(0.4)	-	(245.4)	1,408.8
Pooled investment vehicles	11,481.8	263.5	8,413.8	(8,684.6)	(66.9)	(537.7)	10,869.9
Property	980.7	-	18.5	(1.9)	-	(32.2)	965.1
	14,143.6	263.5	8,885.2	(8,698.4)	(66.9)	(760.3)	13,766.7
Derivative contracts							
Futures	20.7	-	141.4	(200.7)	-	50.3	11.7
Forward foreign exchange	(1.8)	-	282.5	(322.4)	-	(35.1)	(76.8)
	14,162.5	263.5	9,309.1	(9,221.5)	(66.9)	(745.1)	13,701.6
Broker balances	51.8						75.8
Outstanding dividend entitlement and recoverable with	0.5						7.0
Amounts payable for purchases of investments	(152.1)						-
Foreign currency holdings	690.6						582.5
Cash deposits	821.8	3.9					569.6
Total investments	15,575.1	267.4					14,936.5

16 i) Property Holdings

The Fund's investment property portfolio comprises a number of directly owned properties which are leased commercially to various tenants. Details of these directly owned properties are as follows:

2019/20 £m		2020/21 £m	
980.7	Opening balance	965.1	
18.5	Additions	63.0	
(1.9)	Disposals	(18.3)	
(32.2)	Net change in market value	4.2	
965.1	Closing balance	1,014.0	

There are no restrictions on the realisability of the property or the remittance of income or proceeds on disposal and the Fund is not under any contractual obligation to purchase, construct or develop any of these properties nor does it have any responsibility for any repairs, maintenance or enhancements.

The future minimum lease payments receivable by the Fund are as follows:

31 March 2020 £'000		31 March 2021 £'000	
43,025	Within one year	43,892	
156,653	Between one and five years	152,740	
174,138	Later than five years	179,918	
373,816 Total future lease payments due under existing contracts			376,550

The receivables above have been reduced by a credit loss allowance of 1% per annum reflecting the Fund's expected loss from late or non-recovery of rents from tenants. This deduction is based on advice from the Fund's property letting agents.

The impact of COVID-19 has presented new challenges for valuation of illiquid assets. In their valuation report for the quarter to 31 March 2020, the independent property valuation agents were unable to rely fully on previous market experience to inform opinions on properties and their valuations were therefore reported on the basis of 'material valuation uncertainty'. There is no such valuation uncertainty clause in connection with the property valuation report as at 31 March 2021.

Note P17 - Fair value - basis of valuation

The basis of the valuation of each class of investment assets is detailed below. There has not been any 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.

Asset type	Valuation level	Basis of valuation	Observable and unobservable inputs	Key sensitivity
Market quoted investments	1	Published bid market price ruling on 31 March 2021.	n/a	n/a
Quoted bonds	1	Market bid price based on current yields.	n/a	n/a
Futures	1	Published exchange prices at 31 March 2021.	n/a	n/a
Unquoted bonds	2	Average of broker prices.	Evaluated price feeds.	n/a
Pooled Investment vehicles- unit trusts and property funds	2	PIV are stated at the bid price quoted or the closing single market prices.	Net asset value (NAV) based pricing set on a forward pricing basis.	n/a
Forward foreign exchange derivatives	2	Market forward exchange rates at 31 March 2021.	Exchange rate risk.	n/a
Freehold and leasehold properties	3	Valued at fair value at the year-end using the investment valuation reports of Savills Plc. One third of the commercial property portfolio is valued fully in March each year, with the remaining two thirds being a 'desktop' valuation. Agricultural properties are valued by Browns at the year end.	Existing lease terms and rentals, independent market research, tenant covenant strength, estimated vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or discount rate could affect valuations
Unquoted equity (includes Private Equity, Infrastructure and Absolute Return/Diversified Growth Funds)	3	Value is based on the latest investor reports and financial statements provided by the fund managers of the underlying funds, adjusted for transactions arising after the date of such reports.	Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple, revenue multiple, discount for lack of marketability.	Could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts.
Bulk annuity insurance buy-in	3	Provided by the Fund's Actuary based on a roll-forward of the value placed on the buy-in as part of the WMITA Fund 2019 triennial actuarial valuation, allowing for estimated level pensions paid and the change in the discount rate used to value the buy-in.	Key underlying inputs for the valuation are the discount rate and life expectancy. Discount rate has been set at 0.43% with reference to the 11 year point of the Bank of England nominal gilt yield curve, consistent with the 2019 valuation of the WMITA Fund.	Adjustments to discount rate and life expectancy.

Sensitivity of assets valued at level 3

The table below details the Fund's review of financial information as provided by independent advisors. The valuation methods detailed above are likely to be accurate to within the ranges and, as set out below, the consequent potential impact on the closing value of investments at 31 March 2021 and 31 March 2020.

Level 3 assets	Valuation range % (+/-)	Valuation at 31 March 2021 £m	Valuation Increase		Valuation Decrease £m
			£m	£m	
Freehold and Leasehold Property	11.8	1,014.0		1,134.0	894.1
Private Equity	31.7	1,269.8		1,672.6	867.0
Infrastructure	13.2	819.8		928.3	711.1
Absolute Return/Diversified Growth	14.1	410.8		468.6	353.0
Unit Trusts - UK Property	11.8	140.5		157.2	123.9
Fixed Interest	9.8	65.8		72.3	59.4
Total		3,720.7		4,433.0	3,008.5

Level 3 assets	Valuation range % (+/-)	Valuation at 31 March 2020 £m	Valuation Increase		Valuation Decrease £m
			£m	£m	
Freehold and Leasehold Property	11.7	965.1		1,078.0	852.2
Private Equity	26.2	1,203.3		1,518.6	888.0
Infrastructure	13.8	772.8		879.4	666.2
Absolute Return/Diversified Growth	12.8	528.2		595.8	460.6
Unit Trusts - UK Property	11.7	107.3		119.9	94.7
Total		3,576.7		4,191.7	2,961.7

The key underlying inputs for the annuity insurance buy-in level 3 valuation are the discount rate and life expectancy. The impact of changes as calculated by the Fund's Actuary is shown below:

Change in assumptions - year ended 31 March 2021	Adjustment (-/+)	Valuation at 31 March 2021 £m	Valuation Increase		Valuation Decrease £m
			£m	£m	
Adjustment to discount rate	(-+) 0.5%	200.0		209.9	190.4
Adjustment to life expectancy assumptions	(+/-) 1 year	200.0		214.6	186.2

Change in assumptions - year ended 31 March 2020	Adjustment (-/+)	Valuation at 31 March 2020 £m	Valuation Increase		Valuation Decrease £m
			£m	£m	
Adjustment to discount rate	(-+) 0.5%	229.4		240.8	218.5
Adjustment to life expectancy assumptions	(+/-) 1 year	229.4		244.5	215.2

17 i) Fair value hierarchy

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values. Criteria utilised in the instrument classifications are detailed below:

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed interest securities, quoted index linked securities and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that 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 fund of funds, which are valued using various valuation techniques that require significant judgement in the determining appropriate assumptions.

The values of the investments in private equity, infrastructure and absolute return/diversified growth funds are based on the latest investor reports and financial statements provided by the fund managers of the underlying funds. Valuations are undertaken quarterly and an adjustment is made to roll forward the latest available valuation to 31 March as appropriate.

The values of the investments in hedge funds are based on the net asset value provided by the fund manager. Fund valuations are obtained through external experts with assurance provided via the audit opinion. The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which fair value is observable.

Value at 31 March 2021	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m		Total £m
			£m	£m	
Financial assets					
Financial assets at fair value through profit and loss	9,753.4	4,284.4	2,706.7		16,744.5
Non-financial assets at fair value through profit and loss			1,014.0		1,014.0
Financial liabilities at fair value through profit and loss			-		-
	9,753.4	4,284.4	3,720.7		17,758.5
Bulk annuity insurance buy-in at fair value through profit and loss			200.0		200.0
Net financial assets	9,753.4	4,284.4	3,920.7		17,958.5

Value at 31 March 2020	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m		Total £m
			£m	£m	
Financial assets					
Financial assets at fair value through profit and loss	6,705.0	3,496.7	2,611.6		12,813.3
Non-financial assets at fair value through profit and loss			965.1		965.1
Financial Liabilities at Fair Value Through Profit and Loss			-		-
Financial liabilities at fair value through profit and loss			(76.8)		(76.8)
	6,705.0	3,419.9	3,576.7		13,701.6
Bulk annuity insurance buy-in at fair value through profit and loss			229.4		229.4
Net financial assets	6,705.0	3,419.9	3,806.1		13,931.0

Note 17 ii) - Reconciliation of fair value measurements within level 3

	Market value 1 April 2019 £m	Transfers into level 3 £m	Transfers out of level 3 £m	Purchases during the year £m	Sales during the year £m	Unrealised gains / losses £m	Realised gains/losses £m	Market value 31 March 2020 £m
Period 2019/20								
Freehold and Leasehold Property	965.1	-	-	-	-	48.9	-	1,014.0
Private Equity	1,203.3	3.5	(29.5)	129.4	(241.1)	156.3	47.9	1,269.8
Infrastructure	772.8	-	-	146.6	(75.1)	(35.3)	10.8	819.8
Absolute Return/Diversified Growth	528.2	-	-	60.8	(199.4)	10.8	10.4	410.8
Unit Trusts - UK Property	107.3	-	-	40.7	(3.0)	(4.5)	-	140.5
Bonds	-	-	-	70.7	(1.0)	(3.9)	-	65.8
Total	3,576.7	3.5	(29.5)	448.2	(519.6)	172.3	69.1	3,720.7

Bulk annuity insurance buy-in contract

The transfer of assets from the former WMITA Fund included a bulk annuity insurance buy-in contract with Prudential Retirement Income Limited. The insurance cover provides that the insurer underwrites the risk for meeting the liabilities of a specified group of pensioners on the WMITA pensions payroll as at 11 August 2011. The insurance provider will pay the cost of the monthly pension payments for this group whilst they or their dependants are entitled to a pension.

31 March 2020 £m	31 March 2021 £m
- Bulk annuity insurance buy-in contract value at start of year	229.4
224.5 Bulk annuity insurance buy-in contract value transferred in 1 April 2019	-
Actuarial revaluation of insurance contract:	
2.8 Interest on buy-in	1.0
5.2 Change in demographic assumptions	(3.3)
18.1 Change in actuarial assumptions	(11.8)
(5.4) Actuarial experience	-
20.7	(14.1)
(15.8) Level pensions paid by insurer	(15.3)
229.4 Bulk annuity insurance buy-in contract value at end of year	200.0

The change in demographic assumptions results from updating mortality assumptions to use the latest CMI_2020 Model. The change in actuarial assumptions is a result of increasing the discount rate from 0.43% at 31 March 2020 to 1.02% at 31 March 2021 consistent with the rate used in the 2019 valuation of the former WMITA Fund.

Note P18 - Investment capital commitments

Investment commitments at the end of the financial year in respect of future payments were:

31 March 2020 £m	31 March 2021 £m
1,146.6 Non-publicly quoted equities and infrastructure	948.8
85.4 Property	58.5
1,232.0	1,007.3

These amounts relate to outstanding commitments due on funds held in the private equity, fixed interest, absolute return and alternative investment portfolios.

Note P19 - Long term debtors

31 March 2020 £m	31 March 2021 £m
11.6 Early retirement costs	6.4
2.9 Reimbursement of lifetime tax allowances	3.8
14.5 Total	10.2

The Fund has agreed for certain employers to defer payment of amounts due to meet early retirement costs and £6.4m is due after the following financial year (2019/20: £11.6m). The instalments due in 20/21 are reported in Current Assets.

Note P20 - Current Assets

31 March 2020 £m	31 March 2021 £m
Receivables and prepayments	
Contributions Receivable	
12.8 - Employers' future service	13.3
6.0 - Employers' past service deficit	4.9
10.5 - Members	10.0
103.1 Other Receivables	10.3
132.4 Total Receivables and Prepayments	38.5
- Cash	1.9
132.4 Total Current Assets	40.4

Note P21 - Current liabilities

31 March 2020 £m	31 March 2021 £m
	Payables and receipts in advance
(3.7)	Pensions and lump sum benefits
(5.2)	Receipts in advance
(15.8)	Other payables
(24.7)	Total
	(4.3) (0.7) (15.5) (20.5)

Note P22 - Additional voluntary contributions

As well as joining the Fund, scheme members can pay into an additional voluntary contribution (AVC) scheme run by two AVC providers. Contributions are paid directly from scheme members to the AVC providers.

The contributions are not included within the Fund accounts, in line with regulation 4 (2) (b) of the Pension Scheme (Management and Investment of Funds) Regulations 2009. The table below shows the activity for each AVC provider in the year.

31 March 2020			31 March 2021		
Utmost Life	Prudential		Utmost Life	Prudential *	
£m	£m		£m	£m	
1.6	37.6	Opening value of the fund	1.8	37.6	
0.1	0.6	WMITA Fund AVC balances consolidated following merger	-	-	
0.3	6.0	Income	0.1	6.0	
(0.1)	(5.6)	Expenditure	(0.2)	(6.6)	
(0.1)	(1.1)	Change in market value	-	0.2	
1.8	37.6	Closing value of the fund	1.7	37.2	

* At the time of publishing this draft Statement of Accounts in June 2021, Prudential Assurance Company was experiencing delays resulting from its ongoing migration to a new administration platform and was not able to provide annual AVC financial statements for 2020/21. The table above therefore contains estimates for movements in Prudential AVCs for the year to 31 March 2021 which will be revised as appropriate when the actual amounts are available.

Note P23 Financial instruments

Net gains and losses on financial instruments

31 March 2020		31 March 2021
£m		£m
	Financial assets	
(677.8)	Fair value through profit and loss	3,110.5
	Financial liabilities	
(35.1)	Fair value through profit and loss	9.1
(712.9)	Total	3,119.6

Classification of financial instruments

The following table analyses the carrying amounts of financial instruments by category. No financial instruments were reclassified during the accounting period.

	31 March 2020		31 March 2021		
Fair value through profit and loss £m	Assets at amortised cost £m	Financial liabilities at amortised cost £m	Fair value through profit and loss £m	Assets at amortised cost £m	Financial liabilities at amortised cost £m
			Financial assets		
494.0			Bonds	508.4	
28.9			UK equities	27.0	
1,408.8			Overseas equities	2,567.5	
10,869.9			Pooled investment vehicles	13,640.8	
11.7			Derivative contracts	3.1	
229.4	1,152.1		Bulk annuity		
			Insurance buy-in	200.0	
			Cash		899.7
			Other investment balances		
82.8					26.7
146.9					48.7
13,042.7	1,381.8		Debtors	16,946.8	975.1
			Financial liabilities		
(76.8)			Derivative contracts	(2.3)	
			Other investment balances		
			(24.7) Creditors		(20.5)
12,965.9	1,381.8		(24.7)	16,944.5	975.1
		14,323.0			17,899.1

Note P24 - The nature and extent of risks arising from financial instruments

Risk management

The main investment objective of the Fund is to optimise return whilst managing market risk exposure within an acceptable tolerance. This is achieved by investing assets across a diversified portfolio. The Fund also manages its liquidity risk to ensure there is sufficient liquidity to meet forecasted cash flows.

The Fund's activities expose it to a variety of financial risks including:

Investment risk -	the possibility that the Fund will not receive the expected returns.
Counterparty and credit risk -	the possibility that other parties might fail to pay amounts due to the Fund.
Liquidity risk -	the possibility that the Fund might not have funds available to meet its commitments to make payments as they fall due.
Valuation risk -	the possibility that the actual value realised upon the sale of an illiquid asset differs from the valuation placed on it based on a valuer's opinion.
Market risk -	the possibility that financial loss might arise as a result of market movements. Currency risk, interest rate risk and other price risk are types of market risk: Currency risk - the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk - the risk that future cash flows will fluctuate because of changes in market interest rates.
	Other price risk - the risk that the value of a financial asset will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

Investment risk

In order to achieve its statutory obligations to pay pensions, the Fund invests its assets, including employer and employee contributions, in a way that allows it to meet its liabilities as they fall due for payment. It does this by investing with regard to liabilities through the triennial actuarial valuation followed by an appropriate asset allocation which is monitored on an ongoing basis to ensure it remains appropriate.

Counterparty risk

In deciding to effect any transaction for the Fund, steps are taken to ensure that the respective counterparty is suitable and reliable, that the transaction is in line with the Fund's strategy and that the terms and circumstances of the transaction are the best available in the relevant market at the time. Comprehensive due diligence processes are in place to ensure that any potential counterparty is authorised and regulated, competent to deal in investments of the type and size contemplated and has appropriate administration arrangements with regard to independent auditors, robust administration and accounting, relevant legal structure and experienced staff.

Credit risk

The Fund's credit risk is largely associated with its Fixed Income investments. This risk stems from third parties potentially failing to meet interest payments or failing to return the Fund's principal at the end of the investment period. There is also credit/counterparty risk associated with derivative investments within the Fund's Alternatives investments and those used to hedge certain foreign currency exposures as well as with rental income earned within the Fund's property portfolios.

The Fund's surplus cash may be placed with an approved financial institution on a short-term basis and in accordance with the cash management policy and restrictions set out in the Treasury policy. The policy specifies the cash deposit limit with each approved counterparty as determined by a comprehensive scoring exercise undertaken by Fund officers using specialist rating and market research data which is reviewed on a regular basis. Due diligence is conducted on potential money market funds with criteria such as AAA rating, same day access and minimum assets under management being prerequisite.

Credit rating sensitivity analysis			
Fund/Account	Long term Fitch rating*	Value at 31 March 2020 £m	Value at 31 March 2021 £m
Money market funds			
HSBC GBP Liquidity Fund Class H	Aaa-mf	191.1	106.5
HSBC USD Liquidity Fund Class H	Aaa-mf	112.9	7.2
LGIM GBP Liquidity Fund	AAAmmf	132.8	134.7
Insight GBP Liquidity Fund	AAAmmf	26.9	142.5
Invesco GBP Liquidity Fund	AAAmmf	2.9	2.3
Custody and deposit accounts			
CBRE Client Account West Midlands Met Authority		13.1	21.1
HSBC GBP Cash	AA-	89.9	83.9
HSBC Non-GBP Cash	AA-	582.5	399.6
Total		1,152.1	897.8

* Moody's rating used if no Fitch rating available

Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due, especially pension payments to its members. The Fund therefore takes steps to ensure that it has adequate cash resources to meet its commitments. The appropriate strategic level of cash balances to be held forms part of the Fund's investment strategy and the Fund carries out cash flow planning in respect of contributions, benefit payments, investment income and capital calls/distributions on an ongoing basis.

The risk that the Fund will be unable to raise cash to meet its liabilities is considered low. Due to having cashflow management procedures in place, the Fund is able to invest in illiquid asset classes and take advantage of the illiquidity premium found in these investments where appropriate.

Valuation risk

Valuation risk represents the risk that the actual value realised upon the sale of an illiquid asset differs from the valuation placed on it based on a valuer's opinion. The valuation of assets, and thus the management of valuation risk, is delegated to the Fund's appointed investment managers.

IFRS 13, Fair Value Measurement, seeks to increase consistency and comparability in fair value measurements through a 'fair value hierarchy', which categorises the inputs used in valuation techniques into three levels. Level 1 assets are those for which fair value can be measured via quoted prices in active markets for identical assets (such as those traded on stock exchanges). Level 2 assets require inputs other than quoted market prices falling under level 1 for fair value assessment (such as prices quoted in inactive markets, interest rates or credit spreads, for example). Level 3 assets require unobservable (non-public) inputs for fair value assessment and in practical terms, are those considered to be the most illiquid and difficult to value.

The majority of the Fund's underlying investments are in liquid quoted assets, representing minimal valuation risk (falling under level 1 and 2 of IFRS 13's fair value hierarchy). The Fund has investments in Property, Infrastructure and certain other illiquid assets that are classified as level 3 assets with a fair value of £3,720.7m as at 31 March 2021 (2020: £3,576.7m), which represents 21% of total assets (2020: 26%). The guidance of IFRS 13 includes additional disclosures for level 3 measurements that include the reconciliation of opening and closing balances and quantitative information about unobservable inputs and assumptions used. Valuation of the Fund's investments falling under the scope of this guidance is conducted by their respective appointed investment managers.

During the year to 31 March 2021, the impact of COVID-19 led to valuation challenges regarding certain illiquid assets. On 17 March 2020, the Royal Institute of Chartered Surveyors (RICS) recommended that surveyors use a material valuation uncertainty clause in property valuations due to the unprecedented circumstances caused by the pandemic and the corresponding absence of market evidence on which to base judgements. Throughout the year, such clauses applied to fewer and fewer assets as market uncertainty gradually receded and on 9 September 2020, RICS formally lifted its recommendation.

Market risk - currency 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 any financial instruments not denominated in GBP sterling, the functional currency of the Fund. The Fund holds both monetary and non-monetary assets denominated in currencies other than GBP. The table below indicates a measure of the sensitivity of the investment assets and cash balances within each asset class to currency market movements, based on the expected 1-year standard deviations of each of the underlying foreign currency exposures within the respective asset classes.

The calculations behind these potential market movements account for the diversification effects between currencies within each holding. However, the calculations do not account for the Fund's use of foreign currency forwards, which are held to hedge certain currency exposures for the sake of risk reduction. The extent of this hedging activity is subject to change over time.

Currency risk sensitivity analysis

Asset Type	Asset value as at 31 March 2021 £m	Potential market movement	Value on Increase	Value on Decrease
		£m	£m	£m
Equities*	9,828.5	686.1	10,514.6	9,142.4
Property	1,376.5	11.3	1,387.8	1,365.2
Fixed Interest**	4,006.8	90.7	4,097.5	3,916.1
Private Equity	1,315.5	72.4	1,387.9	1,243.1
Alternatives***	1,230.4	41.7	1,272.1	1,188.7
Liquid Assets	924.5	35.6	960.1	888.9
Total****	18,682.2		19,620.0	17,744.4

* Currency exposures of the overseas equity holdings have been calculated using generic indices.

** Includes exposure to fixed interest gilts, index-linked gilts, overseas government bonds, US TIPS, corporate bonds, emerging market debt, multi-asset credit and private credit.

***Includes exposure to absolute return and infrastructure investments.

****Excludes exposure to futures and forwards.

Asset Type	Asset value as at 31 March 2020 £m	Potential market movement	Value on Increase	Value on Decrease
		£m	£m	£m
Equities*	6,867.2	455.9	7,323.1	6,411.3
Property	1,200.9	14.2	1,215.1	1,186.7
Fixed Interest**	3,194.6	67.9	3,262.5	3,126.7
Private Equity	1,203.3	71.6	1,274.9	1,131.7
Alternatives***	1,300.6	43.4	1,344.0	1,257.2
Liquid Assets	1,234.9	60.9	1,295.8	1,174.0
Total****	15,001.5		15,715.4	14,287.6

* Currency exposures of the overseas equity holdings have been calculated using generic indices.

** Includes exposure to fixed interest gilts, index-linked gilts, overseas government bonds, US TIPS, corporate bonds, emerging market debt, multi-asset credit and private credit.

***Includes exposure to absolute return and infrastructure investments.

****Excludes exposure to futures and forwards.

Market risk - interest rate risk

The Fund recognises that movements in interest rates can affect both income to the Fund and the value of the Fund's assets, both of which affect the value of the assets available to pay benefits. The tables below estimate the impact on the Fund's main Fixed Income exposures of a 100 basis points (bps) interest rate movement, using the duration of the underlying positions in each asset class (which have been obtained from the fund managers), to approximate the sensitivity to interest rate movements. This analysis assumes that all other variables (such as exchange rate movements) are constant, assessing only the impact of interest rate movements in isolation.

Interest rate risk - sensitivity analysis

Asset Type	Carrying amount as at 31 March 2021		Change in year in the net assets available to pay benefits	
	£m	+100BPS £m	-100BPS £m	
			£m	£m
Index-linked Gilts	994.0	(214.7)	214.7	
Gilts*	179.4	(21.3)	21.3	
Gilt Future	(1.8)	(11.9)	11.9	
Overseas Government Bonds	101.9	(8.1)	8.1	
US TIPS	286.0	(33.3)	33.3	
Corporate Bonds	1,179.6	(80.2)	80.2	
Emerging Market Debt	750.1	(52.0)	52.0	
Mulit-Asset Credit	443.6	(6.5)	6.5	
Private Credit**	65.8	(0.8)	0.8	
Total	3,998.6	(428.8)	428.8	

* The impact of a 100bps increase/decrease has been calculated using the exposure provided by the Future (£148.3m).

** Excludes legacy and immaterial positions (total: £6.3m).

Note: Durations are as at 31 March 2021.

Asset Type	Carrying amount as at 31 March 2020		Change in year in the net assets available to pay benefits	
	£m	+100BPS £m	-100BPS £m	
			£m	£m
Index-linked Gilts	940.5	(201.0)	201.0	
Gilts	189.9	(24.4)	24.4	
Gilt Future	2.5	(13.6)	13.6	
Overseas Government Bonds	113.4	(9.5)	9.5	
US TIPS	307.5	(37.3)	37.3	
Corporate Bonds	629.2	(56.6)	56.6	
Emerging Market Debt	609.5	(42.0)	42.0	
Mulit-Asset Credit	348.4	(11.3)	11.3	
Total	3,140.9	(395.7)	395.7	

* The impact of a 100bps increase/decrease has been calculated using the exposure provided by the Future (£157.5m).

** Excludes legacy and immaterial positions (total: £10.6m).

Note: Durations are as at 31 March 2020.

Market risk - other price risk

The Fund is exposed to share and derivative price risk which arises from investments held by the Fund of which the future price is uncertain. The Fund aims to reduce the exposure to this price risk by ensuring appropriate levels of diversification in its asset allocation. The asset allocation is monitored on an ongoing basis to ensure it remains in line with the limits specified in the Fund's investment policy.

The tables below indicate a measure of sensitivity of the returns of each major asset class in which the Fund is invested, based on the 1-year standard deviation of returns within the respective asset classes, excluding the effects of interest rate risk and currency risk which are disclosed separately above. The tables also show an estimate of the impact of this potential volatility on asset values.

Other price risk - sensitivity analysis

Asset Type	Value as at 31 March 2021 £m	Year Volatility of Asset Class		Value on increase £m	Value on decrease £m
		%	pp		
UK equities	1,167.9	18.8%	1.387.5	948.3	
Global equities (ex UK)	8,660.6	16.3%	10,072.3	7,248.9	
Property	1,376.5	11.8%	1,538.9	1,214.1	
Fixed interest*	4,006.8	4.2%	4,175.1	3,838.5	
Private equity	1,315.5	31.7%	1,732.5	898.5	
Alternatives**	1,230.4	13.1%	1,391.6	1,069.2	
Total Fund *** (See note below)	17,757.7			20,297.9	15,217.5

*includes exposure to fixed interest gilts, index-linked gilts, overseas government bonds, US TIPS, corporate bonds, emerging market debt, multi-asset credit and private credit.

**includes exposure to absolute return and infrastructure investments.

***excludes futures, forwards, cash deposits, foreign currency holdings, broker balances and the outstanding dividend entitlement.

The total Fund volatility taking into account the expected interactions between the different asset classes shown, based on the underlying volatilities and correlations of the assets, in line with mean variance portfolio theory is 12.4%. On this basis, the total value on increase is £19,959.6 million and the total value on decrease is £15,555.7 million. Due to the approach taken to determine the total Fund volatility (in which the beneficial impact of diversification is recognised), the monetary impact on the total Fund assets is determined using the total Fund volatility, which is lower than the sum of the monetary impact for each asset class.

Asset Type	Value as at 31 March 2020 £m	% Change	Value on increase £m		Value on decrease £m
			£m	pp	
UK equities	1,032.5	18.7%	1,225.6	839.4	
Global equities (ex UK)	5,834.7	16.4%	6,791.6	4,877.8	
Property	1,200.9	11.7%	1,341.4	1,060.4	
Fixed interest*	3,194.6	4.7%	3,344.7	3,044.5	
Private equity	1,203.3	26.2%	1,518.6	888.0	
Alternatives**	1,300.6	13.9%	1,481.4	1,119.8	
Total Fund*** (See note below)	13,766.6			15,703.3	11,829.9

*includes exposure to fixed interest gilts, index-linked gilts, overseas government bonds, US TIPS, corporate bonds, emerging market debt, multi-asset credit and private credit.

**includes exposure to absolute return and infrastructure investments.

***excludes futures, forwards, cash deposits, foreign currency holdings, broker balances and the outstanding dividend entitlement.

The total Fund volatility taking into account the expected interactions between the different asset classes shown, based on the underlying volatilities and correlations of the assets, in line with mean variance portfolio theory is 12.2%. On this basis, the total value on increase is £15,442.7 million and the total value on decrease is £12,090.0 million. Due to the approach taken to determine the total Fund volatility (in which the beneficial impact of diversification is recognised), the monetary impact on the total Fund assets is determined using the total Fund volatility, which is lower than the sum of the monetary impact for each asset class.

Reputational risk

The Fund's prudent approach to the collective risks listed above and compliance with best practice in corporate governance ensures that reputational risk is kept to a minimum.

Note P25 - Impairment for bad and doubtful debts

The following additions and write offs of pension payments were reported in this financial year, in line with the Fund's policy:

Additions analysis 2020/21		
Individual Value	Number	Total £
Less than £100	30	1,133
£100 - £500	10	1,494
Over £500	1	751
TOTAL	41	3,378

Write off analysis 2020/21

Individual Value	Number	Total £
Less than £100	3	152
£100 - £500	82	16,267
Over £500	7	6,544
TOTAL	92	22,963

Note P26 - Related parties

Pensions administration and certain investment functions are performed by the City of Wolverhampton Council and the costs shown in Note P13 above are recharged to the Fund. Following the actuarial valuation as at 31 March 2019, the Council agreed with the Fund to pay all of its employer future service rate contributions for 2020/21 plus its past service deficit contributions for 2020/21, 2021/22 and 2022/23 by advance lump sum payment of £41.9m on 30 April 2020. The advance payment is accounted for fully in 2020/21 and with the addition of employee contributions, £49.5 million was receivable from the City of Wolverhampton Council for 2020/21 (2019/20: £9.1 million - City of Wolverhampton Council had paid its 2019/20 future service and past service deficit contributions in advance as part of a lump sum payment of £57.3m on 30 April 2018). Balances owed by and to the Council at the year end are shown in Notes P19, P20 and P21.

Pensions Committee

Eight members of the Pensions Committee are also members of the Fund as set out below:

Pensioner:	Councillors: K Inston, M Jaspal, R Martin, P Page and J Tildesley.	Trade Union observers: M Cantello and M Clift
Deferred:	Councillor: S Simkins	

Each member of the Pensions Committee is required to declare any interests relevant to the matters being discussed at each meeting.

There are six employing bodies of the Fund in which a member of the Committee has declared an interest for 2020/21. Contributions from each of these employers are set out below:

Contributions receivable 2019/20 £000	Contributions receivable 2020/21 £000
10,412 Birmingham City University	345
147 Birmingham Museums Trust	-
9,106 City of Wolverhampton Council	534
82 Heath Park Academy - Central Learning Partnership Trust	17
18 Kingswood Trust	0
35,354 Sandwell MBC	12,672
12,616 University of Wolverhampton	11,727
- West Midlands Combined Authority	5,102
5,017 Wolverhampton Homes	

LGPS Central Limited

LGPS Central Limited has been established to manage investment assets on behalf of nine Local Government Pension Scheme (LGPS) funds across the Midlands. It is jointly owned in equal shares by the eight administering authorities participating in the LGPS Central Pool, of which City of Wolverhampton Council, as the administering authority for West Midlands Pension Fund, is one of the shareholders. Each authority has one Class A voting share in LGPS Central Limited.

The Fund has agreed a number of advisory agreements covering a range of asset classes within the fixed income portfolio and wider illiquid portfolios. LGPS Central Limited has also provided the Fund with execution only services in the management of forward currency hedging positions. The charges in respect of these services totalled £2.112m in 2020/21 (2019/20: £1.539m). The amount outstanding in respect of these services at 31 March 2021 was £0.516m (31 March 2020: £0.477m).

The Pension Fund was invoiced £2.706m in respect of Governance, Operator Running and Product Development costs by LGPS Central Limited for 2020/21 (2019/20: £2.496m). The amount outstanding in respect of these services at 31 March 2021 was £0.643m (31 March 2020: £0.950m).

LGPS Central Limited has let office space from City of Wolverhampton Council since 1 April 2018 on a sub leasing arrangement. The rental income and rates receivable by City of Wolverhampton Council from LGPS Central Limited in 2020/21 totalled £102,595 (2019/20: £147,469) and the reimbursement of associated utilities and maintenance charges for 2020/21 totalled £16,078 (2019/20: £30,695).

LGPS Central Limited is an admitted body and employs staff that are active members of the West Midlands Pension Fund. Normal contributions receivable from LGPS Central Limited for the year to 31 March 2021 were £518,500 (2019/20: £442,700).

City of Wolverhampton Council (via the Pension Fund) has invested £1.315m in LGPS Central Limited class B shares and £0.685m in class C shares in 2017/18 and these are both carried as balances in net investment assets at this year end.

Key management personnel

The Fund has identified the Director of Pensions, West Midlands Pension Fund and the Chief Executive, City of Wolverhampton Council as key management personnel with the authority and responsibility to control or exercise significant influence over the financial and reporting decisions of the Fund. The combined compensation for these officers attributable to West Midlands Pension Fund is shown in the table below:

2019/20 £000	2020/21 £000
136 Short-term benefits	143
28 Post-employment benefits	30
164	173

Note P27 - Events after the reporting date

No post balance sheet events have occurred which impact upon the balances and transactions reported for the year.

The Fund remains alert to potential challenges from ongoing developments in relation to the COVID-19 global health pandemic. None of these developments have impacted the underlying assumptions on which the Statement of Accounts is based nor the recognition or measurement of balances and transactions therein. No adjustments in respect of post balance sheet events have therefore been made.

The "McCloud" Court Judgement will have significant impact for all public sector pension schemes. When reforms were introduced in 2014 and 2015, protections were put in place for older scheme members. In December 2018, the Court of Appeal ruled that younger members of the Judges and Firefighters Pension schemes were discriminated against because the protections did not apply to them also. In July 2020, the Government published a consultation on draft regulations to remove this age discrimination. The consultation closed on 8 October 2020 and Government is now undertaking a review of the responses to finalise a remedy and publish amended Regulations. There is therefore, some uncertainty over the costs of any potential changes that might be required and these cannot at this time be calculated and included in the Fund's Statement of Accounts.



Pensions Board

20 July 2021

Report title

Investment Governance

Originating service

Pension Services

Accountable employee

Tom Davies

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Report to be/has been considered by

Rachel Brothwood

Director of Pensions

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Recommendations for noting:

The Pensions Board is asked to note:

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

1.0 Purpose and background

- 1.1 This report provides an update 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.
- 1.2 The Fund has a longstanding policy of supporting good corporate governance in the companies in which it invests. The Fund will also challenge companies who do not meet either the standards set by their peers or reasonable expectations as measured by best practice. The Fund's approach is part of its overall investment management arrangements and its active responsible investment framework. There are three main pillars to the framework: **selection** (of assets), **stewardship** (of assets), and **transparency & disclosure**. The Fund's Responsible Investment Framework incorporates four targeted engagement themes including Climate Change, for which the Fund has developed a policy Framework and risk management strategy.
- 1.3 LGPS Central Ltd ("the Company") is a jointly owned investment management company established by West Midlands Pension Fund and seven Partner Funds to deliver investment pooling for the LGPS Central pool in accordance with the criteria laid down by the Secretary of State.
- 1.4 Investment products and services to Partner Funds are being developed, supported and overseen by the governance structures established within the Company and across the wider investment pool. The Shareholder Forum and Joint Committee each meet at least twice annually with the Shareholder Forum considering shareholder related matters such as the Company's strategic business plan, annual budget and annual report and accounts. The Joint Committee is focused very much on client deliverables of investment pooling, together with governance and oversight of pooling arrangements.

2.0 Investment Pooling Update – LGPS Central Ltd

- 2.1 The Fund continues to work closely with its investment pool company LGPS Central Ltd (LGPSC) and Partner Funds to look for opportunities to transition assets where it can see value add from doing so, including the opportunity to make cost savings. In Q4 2020-21 assets were transitioned to the LGPSC Emerging Market Debt fund (at its launch).
- 2.2 Work has taken place alongside input from the Fund and other Partner Funds to establish a Multi-Asset Credit (MAC) sub-fund launched in April 2021. In addition, the Fund has been working with a number of Partner Funds and LGPSC to develop a Private Debt offering.
- 2.3 The Fund's Investment Advisory Panel (IAP), comprising external advisers, the Director of Pensions and Assistant Director, Investment Strategy, continue to review investment in sub-funds as they are developed taking into account the strategic fit for the Fund. The Pensions Committee receive an annual report from (IAP) and are kept updated on product development and are asked to re-confirm delegations to transition assets as appropriate to these emerging sub-funds. This report was received at the June 2021 meeting.

3.0 Responsible Investment

- 3.1 The Fund's strategy continues to be to engage with its investee companies and other key stakeholders through partnerships and on its own. The Fund aims to protect and increase shareholder value by engaging on a range of financially material ESG investment factors. A significant part of the Fund's engagement programme is implemented through partnerships including the Principles for Responsible Investment (PRI), the Local Authority Pension Fund Forum (LAPFF), Hermes EOS (via a contract held by LGPS Central Limited, the pool operator company), Institutional Investors Group on Climate Change (IIGCC) and the UK Pension Fund Roundtable.
- 3.2 The Fund's engagement activity is monitored and reported to the Pensions Committee on a quarterly basis. Engagement activity includes a number of direct company engagements, on a range of themes, voting activity and working in partnership with other institutional investors to consider shareholder resolutions. Activity and progress are included in published reports from LGPS Central Limited and the Local Authority Pension Fund Forum (LAPFF).
- 3.3 The IIGCC Net Zero Investment Framework was launched on 10 March. This aims to provide a comprehensive set of recommended actions, metrics and methodologies to enable both asset owners and asset managers to maximise the contribution they can make to decarbonisation of the global economy in tackling climate change. It provides an important tool to support alignment with net zero and is one output from the Paris Aligned Investor Initiative (PAII) that the West Midlands Pension Fund, along with LGPS Central, has contributed to since 2019. The Fund continues to support PAII and development of framework implementation through two working groups.
- 3.4 In March 2021, Climate Action 100+ released its Net Zero Company Benchmark which assesses the world's largest corporate greenhouse gas emitters on their progress in the transition to a net zero future. The benchmark framework, developed in collaboration with signatory investors and leading climate research, will be a valuable resource for investors attempting to assess and engage with corporations on their progress and alignment with key commitments. This, together with the IIGCC framework will inform a review of the Fund's Climate Change Framework and Strategy over 2021/2022.
- 3.5 The Fund has been a signatory of the UK Stewardship Code ('the Code') since its inception in 2012. As previously reported the Code has been updated and came into effect from 1 January 2020. The Code represents a new best practice standard for both asset owners and asset managers alike. The new guidelines require that Funds who want to remain or become signatories of the Code must publish a Stewardship Report, demonstrating compliance with the 12 principles of the Code.
- 3.6 In April 2021 the Fund submitted its first Annual Stewardship Report (ASR) to the Financial Reporting Council (link to within the background papers below). The ASR provides an overview of the Fund's approach to stewardship and the efforts taken to ensure that the Fund practices stewardship at the highest level both in our own operations and throughout our investment chain. It covers each of the 12 principles of the UK Stewardship Code 2020 grouped into four categories: Purpose and Governance, Investment Approach, Engagement and Exercising Voting Rights and Responsibilities. The Fund is proud of the outcomes and

effective actions that it was able to demonstrate within its first ASR and expect our approach to continue to evolve as we continue to engage in collaboration with key partners to drive our common ambition to build sustainable futures for all.

4.0 LGPS Central Investment Pool Governance

- 4.1 As previously reported to the Board, the governance arrangements for the LGPS Central pool include a Shareholder Forum (as the group of “owner” representatives) and the Joint Committee (focused on investment matters and client-side). The Shareholder Forum meets ahead of Company meetings (General and AGM) held twice per year. Meetings in February were held via Microsoft Teams with representatives of all Central Pool Authorities and the Company present. The Company’s Annual General Meeting is due to take place in September.
- 4.2 The Joint Committee for LGPS Central, met virtually on Friday 18 June 2021. The agenda, reports, minutes and questions are available on Cheshire Pension Fund’s website; a link is provided within the background papers below. This was attended by the Chair of Pensions Committee and Trade Unison Representative Malcolm Cantello (Unison), Pensions Committee Member.
- 4.3 The pool will hold its third Responsible Investment Summit in the Autumn, with invites open to all Pensions Committee and Local Pension Board members across the Central pool.

5.0 Financial implications

- 5.1 There are no direct financial implications arising as a result of this report.

6.0 Legal implications

- 6.1 The requirement to pool fund investments is a requirement of law, failure to work collaboratively and meet the Government’s criteria and timetable for delivery may result in Government intervention.
- 6.2 MHCLG issued updated draft statutory guidance relating to investment pooling for informal consultation in January 2019. This was to update and replace the original statutory guidance issued in 2015. An updated and broader formal consultation on changes to LGPS investment regulations is now expected to be issued early in 2021 and the Fund will respond to any consultation as required.

7.0 Equalities implications

- 7.1 There are no direct equalities implications arising as a result of this report.

8.0 All other implications

- 8.1 There are no direct other implications arising as a result of this report.

9.0 Schedule of background papers

- 9.1 The Fund's 2021 Annual Stewardship Report
<https://www.wmpfonline.com/CHttpHandler.ashx?id=17878&p=0>
- 9.2 LGPSC Joint Committee Friday 18 June Papers
<https://www.cheshirepensionfund.org/members/about-us/how-we-manage-the-fund/governance-structure/pfc/>

10.0 Schedule of appendices

- 10.1 None.

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