

Attendance

Members of the Pensions Board

Employer Representatives

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

Member Representatives

Adrian Turner (Chair)
Sharon Champion
Cllr Rupinderjit Kaur (V)

Observer Member

Steve Smith

Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Simon Taylor	Assistant Director, Pensions
Rachel Howe	Head of Governance and Corporate Services - West Midlands Pension Fund
Lauren Pote	Governance Support Officer
Darshan Singh	Head of Finance
Hayley Reid	Regulatory Governance Manager
Amy Regler	Head of Operations
Fabrica Hastings	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 Stan Ruddock, Member Representative.
- 2 Declaration of Interests**
There were no declarations of interest made.
- 3 Minutes Approval**
That the minutes of the previous meeting be approved as a correct record.

4 **Matters Arising**

Adrian Turner (Chair) welcomed Steve Smith, Observer Member to the meeting and thanked the Board for attending the recent Governing Bodies training event, noting the event was well attended.

5 **Annual Report and Accounts 2020 - 2021**

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

The Head of Finance advised that the Fund's statement of accounts were finalised alongside the City of Wolverhampton Council's statement of accounts, on the 11 October 2021.

The Head of Finance informed the Board that work was on going in regard to the 2021 Annual Report and Accounts, which would be published on the Fund's website by the statutory deadline of 1 December 2021.

Grant Pattison, Grant Thornton presented the Board with an update on the audit of the Statement of Accounts 2020-21. He advised that Grant Thornton had no concerns to report to the Board regarding the Fund's management, investments and controls and that the Fund's ongoing position was identified as low risk.

In response to a question raised by Ian Martin, Employer Representative, regarding the investment valuation processes, Grant Pattison provided details on the valuation process.

Resolved:

1. That the Pensions Board note the Statement of Accounts for West Midlands Pension Fund (WMPF) for the year ending 31 March 2021 were audited and completed alongside the finalisation of the City of Wolverhampton Council Statement of Accounts in the week commencing 11 October
2. That the Pensions Board note Grant Thornton's Audit Findings Report for West Midlands Pension Fund (WMPF).
3. That the Pensions Board note that the draft Annual Report for WMPF is being considered by Pensions Committee and will then be subject to audit by the Fund's external auditor, Grant Thornton

6 **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 on the Fund's risk management, regulatory governance changes and data management, including the delivery of Annual Benefit Statements in line with the regulatory deadline.

The Head of Governance and Corporate Services noted that the Fund expected resourcing risks to decrease in the upcoming quarter, following successful recruitment to key posts.

The Board were advised that the final version of the Pension Regulator's single code of practice was not expected until summer 2022. In anticipation of changing

requirements, it was noted that the Fund is undertaking a gap analysis to identify areas which require further assurance, to ensure future compliance.

In response to a question raised by Joe McCormick, Employer Representative, regarding resourcing, the Head of Governance and Corporate Services, advised appointments had been made to the Assistant Director post and positions created to support the McCloud remedy project.

In response to a question raised by Paul Johnson, Employer Representative, in regard to Pension Portal usage figures the Head of Operations noted that information could be gathered on number of registered members as well as volumes of self-service facilities being undertaken.

Resolved:

1. That the Pensions Board note the latest strategic risk-register and areas being closely monitored in the current environment
2. That the Pensions Board note the compliance monitoring activity undertaken during the quarter.
3. That the Pensions Board note the Fund's Key Performance Indicators.
4. That the Pensions Board note the updates on potential regulatory changes and statutory guidance emerging from the LGPS and wider pensions industry.
5. That the Pensions Board note the governing Body Training activities undertaken during the quarter

7 **Corporate Plan Monitoring**

Rachel Howe, Head of Governance and Corporate Services, presented the report on the work of the Fund in achieving its deliverables and targets set out in the Corporate Plan.

The Board were advised that the Fund continued to focus on service delivery for members, employers and wider stakeholders with progress across all areas in the first 6 months of the year.

Resolved:

1. That the Pensions Board note the work undertaken by the Fund to work towards the goals and ambitions outlined in the Corporate Plan 2021 – 2026.

8 **Customer Engagement Update**

Simon Taylor, Assistant Director (Pensions), presented the report on the Fund's customer engagement activity from 1 April 2021 to 30 June 2021 and to cover future planned customer engagement activity in the context of the Fund's Customer Engagement Strategy.

The Member Services team continued to deliver member support through digital channels that had received an expansion of views, including 50 webinars that were delivered to 727 attendees across the period.

The Board were advised that the Employer Engagement team had continued to deliver its programme of employer engagement, with a further 16 virtual sessions delivered to attendees from 100 organisations that were positively received. The Fund were looking to expand their employer engagement activity and would be circulating an employer survey for completion. The Fund were also preparing for the Annual General Meeting with employers.

Resolved:

1. That the Pensions Board note the engagement activity and informed service development.

9 **Pensions Administration Report to 30 June 2021**

Amy Regler, Head of Operations, presented the report on the routine operational work undertaken by the pensions administration service areas during the period 1 April to 30 June 2021. The report provided the Board with an overview of the activity and performance of the Fund's key functions.

The Head of Operations outlined the impact on workload volumes over the quarter which had increased, resulting in some operational KPIs not being met.

The Board were advised that the Fund continues to prioritise due diligence on transfers out in line with their pledge with the Pensions Regulator (tPR).

In response to a query raised by Ian Martin, Employer Representative, regarding the service level agreement (KPI) timescales for the Fund to produce quotations, the Head of Operations advised that the Fund were continuously reviewing the level of resources and allocate accordingly where peaks in demand are identified.

In response to a query raised by Sharon Champion, Member Representative, regarding the high volumes of retirement requests received, the Head of Operations advised that investigation had shown one reason for the increase was more members reaching retirement age and seeking access to their pensions earlier.

Resolved:

1. That the Pensions Board note the performance and workloads of the key pension administration functions.
2. That the Pensions Board note the development of the Fund's membership and participating employers.
3. That the Pensions Board note the enhanced due diligence on transfer out requests, protecting members against pension scams.

10 **Investment Governance and Climate Change**

Rachel Brothwood, Director of Pensions, presented the report on the investment related matters, including the review of the Fund's Climate Change Framework and Strategy for 2021-2026 and an update on responsible investment activities, together with the ongoing development of LGPS Central Investment Pool.

The Director of Pensions noted that the updated Climate Change Framework and Strategy was grounded within the Fund's investment beliefs and consisted of a three-pillar approach, Short-term Action, Medium Targets and Long-term Ambition. The Climate Change Framework and Strategy was developed and updated in line with the evolving regulatory guidance.

The Director of Pensions was pleased to inform the Board that the Fund had been awarded signatory status to the FRC's 2021 Stewardship code, noting this recognised the Fund as one of the first wave of signatories to the higher standard, in response to review of the stewardship and engagement activity undertaken.

Resolved:

1. That the Pensions Board note the update on investment governance matters including those in relation to responsible investment and investment pooling.
2. That the Pensions Board note the Fund's Climate Change Framework and Strategy for 2021-2026, noting progress made against targets set in 2019 and the increased scope and stretch in ambition outlined for development over the next five years..
3. That the Pensions Board note t the Fund's involvement in the establishment of the first Asset Owner Diversity Charter.

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Areas for Discussion

Rachel Brothwood, Director of Pensions, presented Board members with an update on the future workspace for the Fund. It was noted that the Fund's approach to this workspace have people, space and collaboration with customers and stakeholders at the heart, enabling further development to service delivery and support for pension fund members and employers. The Director thanked the Board for their feedback and support.