

Attendance

Members of the Pensions Board

Employer Representatives

Paul Johnson (Chair)

Joe McCormick

Ian Martin - V

Mark Smith

Member Representatives

Julian Allam (Vice-Chair)

Sharon Champion - V

Stan Ruddock

Adrian Turner

Employees

Rachel Brothwood

Executive Director of Pensions

Simon Taylor

Assistant Director Pensions

Shiventa Sivanesan

Assistant Director Investment Management and Stewardship

Rachel Howe

Head of Governance and Corporate Services

Amy Regler

Head of Operations

Hayley Reid

Regulatory Governance Manager

Holly Slater

Governance Officer

Laura Parker-Marsden

Governance Support Officer

Himmat Kaur

Graduate Management Trainee

Peter Farrow

Head of Audit – City of Wolverhampton Council

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Election of Chair**
Rachel Brothwood, Executive Director of Pensions, welcomed Board members to the first meeting of the municipal year and requested nominations for the election of the Chair of the Pensions Board for the remainder of the municipal year. Joe McCormick, Employer Representative, nominated current Vice Chair Paul Johnson, Employer Representative, to be elected as Chair, the nomination was seconded by members of the Board. The new Chair thanked everyone for their support. It was noted that the election of an Employer Representative was in line with the Fund's Representation Policy of alternate representatives retaining the position of chair.

2 **Election of Vice Chair**

Adrian Turner, Member Representative, nominated Julian Allam, Member Representative as new Vice Chair for the municipal year, the nomination was seconded by members of the Board.

3 **Apologies for Absence**

Apologies were received from Steve Smith (Observer Member), Jacqueline Carmen (Employer Representative) and Councillor Sandra Samuels (Employer Representative).

4 **Declaration of Interests**

There were no declarations of interest made.

5 **Minutes of Previous Meeting**

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

6 **Matters Arising**

There were no matters arising.

7 **Annual Governance Report**

Rachel Howe, Head of Governance and Corporate Services, presented the annual governance paper for the first meeting of the municipal year, the report outlined changes to the Board's membership and the Local Pension Board's work-plan for the 2022-23

The Chair advised that the Board Meeting originally scheduled for 18 October 2022 may be re-arranged. The Head of Governance and Corporate Services added that as soon as this is confirmed, communication would be issued to Members.

Resolved:

1. That the Local Pension Board Work-plan for the 2022-2023 municipal year be approved.
2. That the appointments from the City of Wolverhampton Council to the member and employer representative elected member seats be noted.
3. That the following dates and time of the meetings of the Local Pension Board confirmed as (14.00):
 - 19 July 2022
 - TBC October 2022
 - 24 January 2023
 - 25 April 2023
4. That the Governing Body Member Training Policy developed for members of the Fund's Governing Bodies which was approved by the Pensions Committee on 29 June 2022 be noted.
5. That the publication of the national Scheme Advisory Board (SAB)'s annual report be noted.

8 **Compliance and Assurance**

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

It was noted that risks this quarter had remained static, with themes centred around resourcing with competition in the area remaining high. A new risk relating to member behaviours in the current economic climate had been added to the register with the potential for an increase in member movements and safeguarding and vulnerable customer concerns.

In response to a question from the Chair in relation to data breaches and personal information categorised as minor, the Head of Governance and Corporate Services advised that such information would include members' names, addresses and pensions reference numbers.

The Executive Director of Pensions, Rachel Brothwood, noted that the Fund works closely with the Information Governance Team at the City of Wolverhampton Council (CWC) and that all breaches are reported to them in accordance with agreed procedure, breaches are also monitored internally to identify control issues and additional training requirements. It was also noted that the Fund has regular engagement with the Information Governance Manager at CWC with regards to a range of information governance issues, including data breaches.

Resolved:

1. That the latest Strategic Risk-Register and areas being closely monitored in the current environment be noted.
2. The compliance monitoring activity undertaken during the quarter be noted.
3. That the Fund's Key Performance Indicators and action taken to support service delivery be noted.
4. That the release of the Pensions Regulator's Corporate Plan 2022 – 2024 be noted.
5. That the 2022 Governance and Compliance Statement approved by the Pensions Committee on 29 June 2022 be noted.

9 **Internal Audit Annual Report 2021 - 2022**

Rachel Howe, Head of Governance and Corporate Services, introduced the Internal Audit Annual Report.

Peter Farrow, Head of Audit, provided an overview of the audit work carried out during the year. The Head of Audit confirmed that, based on work undertaken, internal audit had provided reasonable assurance that the Fund had adequate and effective internal control and governance arrangements in place.

In response to a question regarding Internal Audit's involvement in the Fund's transition to the new Pension Administration system, Amy Regler, Head of Operations, confirmed that the Fund will engage with Internal Audit. The Head of Audit added that the Internal Audit team will cover elements of the new system within individual internal audits.

Resolved:

1. That the Internal Audit Annual Report for 2021 – 2022 be noted.

10 **Statement of Accounts 2021- 2022**

Femi Olatunde, Interim 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 2022.

The Interim Head of Finance outlined that the national deadline for completion of audit had moved from September 2022 to the end of November 2022, with the deadline for the publication of the Fund's Annual Report of 1 December 2022.

Resolved:

1. That the West Midlands Pension Fund's (WMPF) draft Statement of Accounts for the year ending 31 March 2022 that has been certified by the Section 151 Officer as required by regulations be noted.

2. That that it is noted authority has been delegated to the Chair and Vice Chair of Pensions Committee to approve the final Statement of Accounts once the audit is completed in September.
3. That it is noted authority has been delegated to the Chair and Vice Chair of Pensions Committee to approve the final publication of the Fund's 2021-2022 Annual Report following approval of the draft by Pensions Committee in September 2022 and ahead of the Local Government Pension Scheme (LGPS) Regulatory requirement to publish the Fund Annual Report and Accounts by 1 December.
4. That it is noted the draft Statement of Accounts (and the Annual Report) for WMPF will now be subject to audit by the Fund's external auditors, Grant Thornton.
5. That Grant Thornton's Audit Plan for 2021/22 external audit of the Pension Fund be noted.
6. That the publication of draft Accounts and Audit (Amendment) Regulations 2022 in May 2022, which proposes to extend the deadline for publishing local authority accounts for 2021/22 from 30 September to 30 November 2022 be noted.

11 **Investment Governance**

Shiventa Sivanesan, Assistant Director of Investment Management and Stewardship, presented the report and gave a routine update on investment governance matters.

It was noted that the Fund's Annual Stewardship Report had been submitted to the Financial Reporting Council (FRC) for review, the outcome of the FRC's review and confirmation of the continuation of the Fund's signatory status was due in October 2022.

Resolved:

1. That the update on investment governance matters including those in relation to responsible investment and investment pooling be noted.
2. That the Fund's second Annual Stewardship Report submitted to the FRC in April 2022 which sets out stewardship activities undertaken by the Fund and its investment partners over 2021. The report is available on the Fund's website: [West Midlands Pension Fund - Stewardship \(wmpfonline.com\)](https://www.wmpfonline.com) be noted.
3. That the Fund's Voting Principles which have been finalised and published on the Fund's website: - [West Midlands Pension Fund - Voting Globally \(wmpfonline.com\)](https://www.wmpfonline.com) be noted.

12 **Pensions Administration Report to 31 March 2022**

The Head of Operations, Amy Regler, presented the report on the routine operational work undertaken by the Pensions Administration services during the period 1 January 2022 – 31 March 2022.

The Head of Operations provided an overview of new regulations introduced on 1 June 2022, referred to as 'Stronger Nudges Guidance', which applied to members with defined contribution savings, in the context of WMPF and the LGPS this is relevant to members with Additional Voluntary Contribution savings (AVC's). The changes require scheme administrators to ensure that individuals are made aware of Pensions Wise guidance in order to help members make informed decisions when

accessing their benefits, the Board were assured that the Fund had updated its procedures to take account of the new guidance.

In response to a question around the reasons for members choosing to transfer their pensions out of WMPF, the Head of Operations highlighted members wanting to consolidate smaller pensions to one provider and being able to access funds from their pension as the main reason for transferring. It was noted that the Fund had no concerns with regards to members electing to transfer their pensions out of WMPF and that it was an area the Fund continues to monitor. The Head of Operations assured the Board that adequate due diligence (in accordance with regulations) is completed in respect of all transfers.

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 introduction of Stronger Nudge amendment to the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 be noted.

13

Customer Engagement Update

Simon Taylor, Assistant Director of Pensions, presented the report on the Fund's customer engagement activity from 1st January – 31st March 2022.

It was noted that the Fund's Customer Engagement Plan had been updated and published on the Fund's website and positive feedback had been received in respect of the Fund's Mid-Year Review, which took place on 12 July 2022. It was noted in particular that attendees had welcomed the break-out sessions which had enabled focused discussions and interactions.

A question was raised in relation to the performance of Prudential, the Fund's Additional Voluntary Contribution (AVC's) provider, following recent issues, it was noted that since initial engagement retirements were now being processed and paid in accordance with KPI's and call waiting times had reduced.

Resolved:

1. That the engagement activity and informed service development be noted.
2. That the update on engagement with Prudential regarding AVC provision be noted.