

Attendance

Members of the Pensions Board

Employer Representatives

Paul Johnson (Chair)
Joe McCormick
Ian Martin
Jacqueline Carman – Virtual Attendee

Member Representatives

Julian Allam (Vice-Chair)
Sharon Campion
Stan Ruddock
Adrian Turner
Terry Dingley – Virtual Attendee

Observer Member

Steve Smith

Employees

Rachel Brothwood	Executive Director of Pensions - West Midlands Pension Fund
Amanda MacDonald	Audit Business Partner
Chris Manning	Head of Finance
Laura Parker-Marsden	Governance Support Officer
Paul Nevin	Assistant Director - Investment Strategy
Amy Regler	Head of Operations
Hayley Reid	Senior Auditor
Holly Slater - Virtual Attendee	Governance Officer
Simon Taylor	Assistant Director - Pensions
Karina Thomas	Head of People

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
Apologies were received from Mark Smith, Employer Representative.
- 2 Declarations of interests**
A disclosable non-pecuniary interest was declared by Paul Johnson, Local Pension Board Chair in relation to Item 10, the Compliance and Assurance Report,

specifically the approval of his re-appointment to the Local Authority Employer Representative seat on the Local Pensions Board.

3 **Minutes of the previous meeting**

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

4 **Matters arising**

There were no matters arising.

5 **Funding Strategy Statement**

Simon Taylor, Assistant Director – Pensions, presented the report providing an update on the finalisation of the 2022 actuarial valuation including the approval of the Funding Strategy Statement (FSS), Asset Share Policy and the updated Employer Risk Management Framework which had been approved by the Pensions Committee in March 2023 following consultation with employers.

In response to a question raised around affordability, the Assistant Director of Pensions, confirmed that the process had acknowledged employer affordability and budgets.

Resolved:

1. The Funding Strategy Statement (FSS), Asset Share Policy (ASP) which were approved by the Pensions Committee in March 2023 be noted.
2. The consultation undertaken in relation to the 2022 actuarial valuation and the associated Funding Strategy Statement be noted.
3. The delivery of the Fund actuary's valuation report and rate and adjustments certificate in accordance with the statutory deadline of 31 March 2023 be noted.
4. The updated Employer Risk Management Framework be noted.

6 **Investment Strategy Statement**

Paul Nevin, Assistant Director - Investment Strategy, presented the report on the Investment Strategy Statement which had been reviewed and updated in conjunction with the Fund's triennial actuarial valuation.

The Assistant Director of Investment Strategy confirmed that the Strategy had been written in consideration of the need to be flexible to the current market environment. It was noted that the Fund is a long-term investor therefore will examine long-term forecasts before making short-term changes.

Resolved:

1. The revised and updated Investment Strategy Statement (ISS) that was approved by the Pensions Committee at their meeting in March 2023 be noted.

7 **Corporate Plan**

Rachel Brothwood, Executive Director of Pensions, presented the report providing the Board with an update on the work of the Fund in achieving its deliverables and targets as set out in the Corporate Plan 2022-2027. The executive director of pensions further discussed the refreshed Corporate Plan for 2023-28, which was approved by Pensions Committee in March 2023.

In response to a question posed around the new 2023-28 Corporate Plan, the Executive Director of Pensions explained that the plan has retained stability around its original themes whilst also recognising change, additionally noting how this plan is a particularly useful communication document to provide information about the Fund to its stakeholders.

Resolved:

1. The Fund's Corporate Plan for 2023-2028 be noted.

8 **External Audit Plan**

Christopher Manning, Head of Finance, presented the report on the External Audit Plan and explained that the Fund remains optimistic to deliver the audited Statement of Accounts to the Pensions Committee for formal approval by the statutory deadline of 30 September 2023.

The Head of Finance also clarified that updated guidance is also expected imminently from the Chartered Institute of Public Finance and Accountancy (CIPFA), to which the Fund will adapt and support.

Resolved:

1. The management responses to questions from the external auditors, Grant Thornton
2. LLP, as part of their audit planning [Appendix B] be noted.
3. The external Audit Plan for the 2022/2023 Audit Progress and Indicative Risks Report as prepared by Grant Thornton [Appendix A] be noted.

9 **Internal Audit Plan**

Amanda MacDonald, Audit Business Partner for the City of Wolverhampton Council, presented the Internal Audit Plan report, containing the outline work programme for internal audit during 2023-24. It was noted that the Internal Audit plan had been approved by the Pensions Committee in March 2023.

In response to a question raised regarding how timings are agreed for internal audits, the Audit Business Partner confirmed there is a good relationship between the internal audit team and managers at the Fund. Confirming that Audit Services will accommodate existing workloads and Fund capacity when agreeing timing for audit work.

Resolved:

1. The Internal Audit Plan for 2023 – 2024 which was approved by the Pensions Committee at their meeting in March 2023 be noted.

10 **Compliance and Assurance**

Due to the conflict of interest declared in this item, Paul Johnson, Local Pension Board Chair left the meeting at this point. Vice Chair, Julian Allam chaired the meeting in his absence.

Hayley Reid, Regulatory Governance Manager, presented the report on the work of the Fund to deliver a well governed scheme.

The regulatory governance manager provided an overview of the Fund's quarterly assurance monitoring, noting the Fund's Key Performance Indicators (KPIs) and compliance monitoring updates. It was highlighted that, in relation to KPIs, from a Governance and Assurance perspective, there are no concerns with overall performance and delivery of Fund service areas.

The Regulatory Governance Manager also highlighted that Governing Body Training hours continue to be recorded and reported in the Fund's Annual Report and KPIs.

An overview of the appointments process for the Employer Representative seat was provided and the Board were asked to approve the appointments panel unanimous recommendation of the re-appointment of Paul Johnson.

Resolved:

1. The re-appointment of Paul Johnson to the WMPF Local Pension Board, Local Authority Employer Representative seat be approved.
2. The latest Strategic Risk Register and areas being closely monitored in the current environment be noted.
3. The Fund's Key Performance Indicators (KPI) and action taken to support service delivery be noted.
4. The compliance monitoring activity undertaken during the quarter be noted.

Paul Johnson, returned to the meeting.

11 **Pensions Administration**

Amy Regler, Head of Operations, presented the quarterly Pensions Administration Report providing an overview of the operational works undertaken by the Pension Administration service.

It was also noted that the KPIs are cumulatively achieving the 90% target for the year to date and the number of complaints was lower than average this quarter.

Resolved:

1. The 8 applications approved for employer admission into the Fund as detailed in Appendix E be noted.
2. Performance and workloads of the key pension administration functions be noted.
3. Development of the Fund's membership and participating employers be noted.

12 **Customer Engagement**

Simon Taylor, Assistant Director – Pensions, presented the report on customer engagement, encompassing member engagement and communications.

Resolved:

1. The engagement activity and informed service development be noted.

13 **Investment Governance**

Rachel Brothwood, Executive Director of Pensions, presented the report on investment governance, drawing out key developments and items of interest based on Fund stewardship themes.

It was noted that the Fund has reviewed and updated its Voting Principles.

Resolved:

1. The update on investment governance matters including those in relation to responsible investment and investment pooling.

14 **Exclusion of press and public**

Resolved:

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

15 **Development of Fund Resource**

Rachel Brothwood, Executive Director of Pensions, presented the report on the development of Fund resources.

Resolved:

1. Progress with the Fund's recruitment and retention plans be noted.
2. Action being taken to assess and support employee and service resilience be noted.
3. Outcomes of the Fund's recent all-employee survey be noted.
4. A further Development of Fund Resource update would be provided to the Board in 6 months.

16 **Cyber Security**

Amy Regler, Head of Operations, presented the Cyber Security report.

Resolved:

1. The Fund's reviewed and approved Cyber Security Strategy for 2023/24 be noted.
2. The work undertaken in 2022/23 by the Fund to deliver its cyber security programme be noted.
3. Annual assurance reporting from the City of Wolverhampton Council (CWC) IT Cyber programme be noted.

17 **Areas for Discussion**

Fund Officers provided an update to the Board around both the regulatory changes and the investment guidance that are expected to be introduced over the next municipal year.