

Attendance

Members of the Pensions Board

Employer Representative

Jacqueline Carman
Paul Johnson
Ian Martin
Joe McCormick (Chair)
Cllr Jasbir Jaspal

Member Representative

Sharon Campion
Adrian Turner (Vice-Chair)

Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Jill Davys	Assistant Director - Investments and Finance – 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
Holly Slater	Governance Officer – West Midlands Pension Fund
Hayley Reid	Regulatory Governance Manager – West Midlands Pension Fund
Amy Regler	Head of Operations – West Midlands Pensions Fund
Darshan Singh	Head of Finance – West Midlands Pension Fund
Simon Taylor	Head of Pensions - West Midlands Pension Fund
Kirsty Tuffin	Democratic Services Officer – City of Wolverhampton Council
Fabrica Hastings	Democratic Service Assistant – City of Wolverhampton Council
Grant Thornton	
Grant Patterson	

Part 1 – items for discussion

Please note: The Pension Board meeting on 20 Oct 2020 took place virtually but was not broadcast live via the City of Wolverhampton Council website. However, the agenda pack discussed at the meeting was published on the Council's website and open to the press and public.

Item No. *Title*

1 **Apologies for absence**
Apologies were received from Stan Ruddock, member representative from Unite.

2 **Declarations of Interest**
There were no declarations of interest submitted.

3 **Minutes of the Previous Meeting**
That the minutes of the previous meeting held on 09 July 2020 be approved as a correct record.

4 **Matters arising**
There were no matters arising.

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

Resolved:

1. That the appointment of the Chair and Vice Chair for the remainder of the municipal year be approved.
2. That the Appointments Panel to receive nominations for an employer representative the year 2020-2021 be approved to convene.

6 **Customer Engagement Update**
Simon Taylor, Assistant Director, Pensions, presented the report on the Fund's customer engagement activity from 1 April 2020 to 30 June 2020 and to cover future planned customer engagement activity in the context of the Fund's Customer Engagement Strategy.

The Board were advised that in light of the current situation, the Fund's member engagement work had evolved from face-to-face delivery to a digital delivery. The shift to digital delivery had received positive feedback and had increased accessibility to a wider audience.

Employer engagement had also shifted to a digital approach throughout with period and the Employer Peer Group, employer webinars and employer performance meetings had taken place virtually with positive feedback received.

Resolved:

1. That the engagement activity and customer support provided aligned to the Covid-19 restrictions be noted.
2. That the updated Customer Engagement Strategy be noted.
3. That the high-level overview of planned activity and changes made to the annual Customer Engagement Plan be noted.

7 **Response to Covid-19**

Rachel Howe, Head of Governance and Corporate Services, presented the report on the Fund's response to the current global pandemic and the steps being taken to mitigate service delivery impact.

The Board were advised that following consultation with Unions, employees had returned to the office on a rotational basis to support essential service delivery and employee wellbeing with all arrangements being managed in line with Government Guidance.

Resolved:

1. That the steps taken by the Fund in response to the Covid-19 pandemic and the ongoing considerations on service delivery impact be noted.

8 **Pensions Administration Report from 1 April to 30 June 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 April to 30 June 2020. This included members and employers of the Main Fund and the former WMITA Pension Fund, following the merger of the West Midlands LGPS funds, effective from April 2019.

The Board were advised that increased death notifications in March and the impact of transitioning to working from home, had impacted performance at the start of the year with improvements made in the achievement of KPIs for this reporting quarter, continuing for the period July - September.

The Board were advised that despite the current environment, delivery of the Digital Transformation Programme had been ongoing. The new Employer Hub launch had begun with a pilot testing of the system conducted in September 2020 with nominated employers.

Resolved:

1. That the pensions administration activity and the impact of COVID-19 on the workload volumes for pension administration be noted.
2. That the update on the progress of the Fund's Digital Transformation Programme be noted.

9 **Regulatory Update**

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

The Board were advised that following the ruling on McCloud, the Fund would be required to rectify member records in line with any statutory remedy noting, MHCLG had submitted guidance on how to proceed with the reviews. The Fund had issued a technical response to the remedy consultation which closed at the beginning of October 2020. Pending the adopted remedy, the Fund had conducted work to assess the scope of affected members, as well as assessing what additional information would be required from employers to implement the remedy. Communication with

members and employers would be planned as part of the implementation programme.

In response to the commentary on the exit cap regulations, Adrian Turner (Unison), advised the Board that Unison had raised concerns on the 9 November deadline to respond to the consultation from MHCLG on associated reforms to the LGPS and compensation schemes and that Unison members had written to the minister to request an extension.

The Board were advised that review and changes were required to the Fund's Funding Strategy Statement (FSS) following introduction of LGPS regulatory change, to enable greater employer funding flexibilities. Fund review and consultation on changes to the FSS are pending issue of guidance from MHCLG.

Resolved:

1. That the updates to the current regulatory environment within the LGPS be noted.

10 **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 a key area of concern related to the volume of policy change and new regulations and the potential impact on the Fund's resources, at a time when the industry and Fund were also aware of increasing risk of pension scams.

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 revised Internal Audit work-plan for 2020-21 be noted.

11 **Annual Report and Accounts**

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 2020, with publication of the latter on the Fund's website due by 1 December 2020.

The Board were advised that the Audited Statement of Accounts had been in its final stages before completion and had been considered by Pensions Committee on 30 September 2020. The annual report would be audited by Grant Thornton, for consistency, prior to finalisation and publication.

Grant Patterson, representative from Grant Thornton, advised the Board that following completion of the audited Statement of Accounts, it would be taken to the Council's Audit and Risk Committee for approval. Changes had been made to the audit to reflect the impact of Covid-19 and working from home for the Fund.

Resolved:

1. That the Statement of Accounts for West Midlands Pension Fund (WMPF) for the year ending 31 March 2020 was audited and completed by this year's statutory deadline of 30 November 2020 be noted.
2. That the 2019/20 Statement of Accounts incorporates the merger with the West Midlands ITA Pension Fund (WMITA) be noted.
3. That Grant Thornton's Audit Findings Report for West Midlands Pension Fund be noted.
4. That the draft Annual Report for WMPF was considered by Pensions Committee on 30 September and now subject to audit by the Fund's external auditors, Grant Thornton, be noted.

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Investment Governance

Jill Davys, Assistant Director, Investment Partnership, presented the report on investment related matters which included a review of the Fund's voting and climate change policies, the assessment outcome of the Fund's 2020 UN Principles for Responsible Investment (PRI) reporting and responsible investment activities, together with the ongoing development of LGPS Central Investment Pool.

The Board noted that the Fund had achieved A+/A for every module of the reporting and assessment of its Responsible Investment activity the PRI.

Resolved:

1. That the Fund's updated Voting Principles 2020 approved by Pensions Committee in September 2020 be noted.
2. That the Fund's updated Climate Change Framework and Strategy 2020 approved by Pensions Committee in September 2020 be noted.
3. That the Fund's Principles for Responsible Investment Assessment Outcome be noted.
4. That the update on investment governance matters including those in relation to responsible investment and investment pooling be noted.

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