

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.