

# CORPORATE PLAN 2022 - 2027

Creating sustainable futures



West Midlands Pension Fund

# OUR FUND

The West Midlands Pension Fund is steeped in local history; borne out of the West Midlands County Council, the Fund now works in partnership with all seven metropolitan district councils and over 800 participating employers who provide public services across the West Midlands region. 2022 sees the Local Government Pension Scheme and the Fund celebrate its 50th year – set up to provide pension benefits to employees of public sector bodies across the region – administering and investing contributions to provide a cost-effective and valued income in retirement. Our mission is to enable all our members to take control of their savings and plan for a sustainable future.

**£20.6bn** assets under management

**336,953** members

**800** employers



# FOREWORD

## Our corporate plan for 2022-2027 builds on the goals and ambitions we set in 2021.

Our corporate plan for 2022-2027 builds on the goals and ambitions we set in 2021. We've monitored our success in delivering these over the last year and reflected on how our environment is changing and on how recent events have informed our outlook for the next five years.

We remain focused on our core mission and purpose – to administer the pension benefits for thousands of public sector workers across the West Midlands. In doing so we aim to increase the accessibility and awareness around the value of pension saving, as we aspire to create and deliver sustainable futures for our members.

Working in partnership has had increasing relevance and importance over 2021/22, as we've worked closely with our employers to adapt our support services to meet their evolving requirements and worked together to prepare for implementation of regulatory change in the Local Government Pension Scheme.

Our PRIDE values continue to guide how we work and focus our time; with our successes over the last year attributable to our approach to engaging our customers, partners and our people, as we continue to create capacity, deliver value added services, actively contribute to our local community and invest for real world change.

Faced with further Scheme and regulatory change, an evolving investment landscape and further growth and diversity in our employer base, our ongoing operational development and resilience is critical. We aim to be agile to our developing customer needs, ensuring we continue to focus on those initiatives which deliver valued services and outcomes. Over the last year we have onboarded 45 new employers to our Fund and supported 5,730 members taking retirement. Alongside this we have continued to invest in our people and target training to develop knowledge and skills and the support we are able to provide to our members. Over 2021 we set out a revised and stretching ambition within our Climate Change Strategy and Framework and are developing a monitoring framework to track our progress towards net zero.

Our drive to promote sustainability can be seen through the selection and development of our new office space, designed in collaboration with our employees – a base from which we will serve our customers and support collaboration and learning through agile working. Our People Strategy has developed to support our broader employee development, recruitment and retention programme with the Fund recruiting to 21 additional posts through the year.

Looking ahead over the medium term, aligned to the commitments made to our customers and governing bodies, we have identified seven key themes to provide stronger governance, customer focus, global influence and deliver for local people and will monitor the outcomes from these over the next year.

It is through our collective active participation that we are able to contribute together and create sustainable futures for all.



**Rachel Brothwood**  
EDirector of Pensions



EMPOWER



INCLUDE



INFORM



DRIVE CHANGE

This plan has been developed in collaboration with key stakeholders, many of whom will play a vital role in its delivery and we thank them for their ongoing support.



# OUR YEAR IN REVIEW



The Fund has made good progress in delivering against the aims and ambitions set in the 2021 Corporate Plan, with highlights outlined below:

## OUTWARD LOOKING

- The Fund has actively engaged in policy development through our memberships and participation with industry bodies, developing consultation responses on Pensions Dashboard, the McCloud remedy, academy consolidation within the LGPS, and reporting standards developed by the Task Force for Climate-Related Disclosure.
- The Fund has continued and extended support for investment in the West Midlands area, across a range of assets, partnering with authorities in the region to enable the pilot Help to Own Scheme in our local area.



- The Fund has continued to support and founder the development of LGPS National Frameworks, including those for Actuarial and Benefit Consultancy services (available to all LGPS funds and employers) and investment stewardship.

## ACTIVE PARTICIPANT

- The Fund was part of a group of Asset Owners who developed and launched the Asset Owner Diversity Charter - championing change within the investment management industry.
- As part of the LGPS Central pool the Fund has been active in the development of investment products which align to the strategic requirements of Partner Funds and following launch has made commitments in excess of £1.3bn to these during the year.
- The Fund has participated in various industry events, debating issues pertinent to the LGPS and pensions industry and championing best practice.

## ACCESSIBLE INFORMATION AND SUPPORT

- Despite the challenges of the pandemic and impact on available forms of service delivery, the Fund has continued to proactively and creatively engage across our growing employer base, issuing seven briefing notes, hosting a virtual mid-year review event together with 35 employer coaching webinars during the year, alongside facilitating meetings with the employer peer group and continuing to meet one on one with employers.



- The member retirement planning campaign targeting those members reaching minimum retirement age was recognised by the Pension Age Award for "Best Marketing Campaign" in July 2021.

## INFORMED ACTION

- The Fund has continued to develop its own internal management information through the roll out of monitoring dashboards across a number of service areas. This has automated and increased the accuracy and efficiency of decision-useful information.

- For the second year, the Fund published its Climate Risk monitoring report, demonstrating how changes made to the Fund investment strategy and the development of climate-aware strategies has increased portfolio carbon efficiency.

## INSTALLING CONFIDENCE THROUGH TRANSPARENCY

- Following a period of development the Fund launched and onboarded all employers to the self-service Employer Hub platform, including online worktrays. This has provided all employers with greater visibility of the data held by the Fund and improved task management.

## RESPONSIBLE ASSET OWNER AND EMPLOYER

- The Fund was part of the first group of asset owners to gain signatory status to the UK Stewardship Code 2020, along with pool company LGPS Central.
- The Fund's Climate Change Strategy and Framework was enhanced over the year, with revised ambition, and commitment to net zero, with the Fund joining the alliance of Net Zero Asset Owners recognised by the Institutional Investors Group on Climate Change (partnered with the Race to Zero campaign).
- Selection and development of the Fund's new office space in i9 has had employer responsibility at its heart – with fit-out targeting BREEAM (very good) standard, waste management strategy and commitment to support local workers and their training and development linked to the Fund's commitment to social value.

- Protecting employees and members has been a core focus, with enhanced safeguarding training and oversight of pension transfer requests introduced in response to pensions schemes gaining increased powers to protect against scams from November 2021.

## PLACE OF OPPORTUNITY

- The Fund has continued to grow and attract employees, with five individuals from the 2021/22 year graduate and trainee programme moving into permanent roles together with two apprentices securing permanent positions.
- Through agile working and the considered development of our future space we are facilitating greater opportunity for flexible working and career development.

## PEOPLE DEVELOPMENT CHAMPION

- We have actively targeted additional wellbeing support and training in areas needed more than ever, with mental health, first aid, safeguarding and peer-to-peer development initiatives rolled out during the year.
- Outlined within our 2021 Corporate Plan was our focus on "growing our own talent" equipping our employees with the tools they need to succeed and support their future careers. Throughout the year, the Fund has supported the qualification and development of its people across all service areas with 45 employees undertaking or having passed a qualification with exam success in either pension administration (PMI) or finance (ACCA).





# OUR VISION

“Contributing together  
to create sustainable  
futures for all”

As a public service pension scheme, the West Midlands Pension Fund is focussed on delivering value to our customers, by ensuring information and support is available to them throughout their journey with the Fund. Through our developing services we enable pension members to effectively plan for their retirement and to support our employers in delivering a valued and cost-effective benefit for their employees.

By investing responsibly on their behalf, we generate returns to reduce the cost of providing long-term defined benefits in retirement, at the same time as utilising our scale to drive positive change through our investments around the world.

Now, more than ever, there is a shared motivation to address environmental, social and governance risks, to protect the value of Fund investments and raise standards to support the long-term sustainability of our people and our planet.

As the industry comes together to enhance action on climate risk and develop initiatives and tools to aid pension savings, we continue to partner for shared gain and remain committed to delivering a valued and sustainable Fund, ready and able to drive efficiencies through a proactive approach to change.

Over the next five years to 2027, we remain committed to ensuring our customers are informed and engaged in our services, as we continue to demonstrate the long-term value we are able to bring to the West Midlands region and further afield.



# OUR PRIDE

“Our core values guide how we work and engage with each other, our customers and industry – it’s what makes us different and stand out from the crowd”

**P**

## **Partnering for Success**

We work with our partners, customers, peers and stakeholders to design, enhance and deliver services that meet their needs as well as supporting the wider LGPS and pension industry to shape the environment in which we work. Through partnerships we are able to deliver our investment beliefs and support development of sustainable futures.

**R**

## **Responsible Asset Owner, Employer and Local Community Partner**

Through our Responsible Investment Framework we support active stewardship, engagement and seek positive change to protect and enhance the Fund’s assets, ensuring they deliver the returns to support the payment of members’ pension benefits over the long term. As an employer we work with our people to support and promote inclusion and opportunity, seeking opportunities for adding social value in our local community.

**I**

## **Investing to Increase Capacity**

We are committed to investing in resources and tools which increase efficiency and enhance capability. Enhancing self-service platforms and information services to customers while also continuing to invest in our people. Developing and retaining the right skills, knowledge and behaviour is fundamental to the work of the Fund and our people strategy ensuring we are able to respond to our customers’ needs.

**D**

## **Delivering Value Added Services**

As a public organisation we are committed to ensuring value for money in all our offerings, from our approach to resourcing, selection of partners and service providers, through to managing investment cost through transparent reporting. We regularly test customer satisfaction and commission independent benchmarking, to ensure the ongoing value of the services we deliver to our customers and measure the benefits of work undertaken to deliver enhancements and drive efficiencies.

**E**

## **Engage to Improve Outcomes for Customers**

For the Fund, how we act as shareholders and owners says a lot about how we expect our assets to perform and how we expect the companies in which we hold those assets to be governed. As a leader within the LGPS, our role on national and industry bodies ensures the voices of our customers are heard by those responsible for the Scheme and its regulation, placing our members and employers at the centre of decisions which impact their futures. Our Customer Engagement Strategy encourages regular feedback from our customers which serves to inform our ongoing service development.



# OUR OUTLOOK AND DRIVERS FOR CHANGE

“By horizon scanning and monitoring emerging drivers for change we are able to be more agile and effective in identifying both risks and opportunities”

We routinely monitor and engage in industry and scheme change, alongside our own organisational development. The LGPS and pensions industry continues to see a heavy programme of regulatory change, with increasing asks and expectations on funds to do more to achieve and demonstrate higher standards of governance and reporting, at the same time as responding to change.

Our assessment of the outlook and drivers has identified areas of focus to inform the Fund’s action and priorities.

Increasing demand from growing membership and employer base, together with interest in a wider range of ways to access information means the Fund will, as a matter of course, need to also continue to build capacity including through ongoing development of operational activity. We continue to see an ongoing cycle of organisational and service development as key to building resilience and capacity to respond to change.



## PENSION DASHBOARDS



Data cleansing



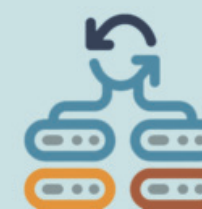
Member tracing



Target key casework



Engagement with key stakeholders



Multiple workstreams

## AREAS OF FOCUS FOR 2022 – 2027

We head into 2022/23 anticipating a range of changes on the horizon, together with our own ambitions to continue to develop the Fund to the benefit of our members and employers.

Area of Focus in Response to Change	Action Required
<b>Data Management and Scheme Remedy</b>	<p>With Scheme Remedy required and expected to impact one in four member benefit records, all public sector pension schemes face the dual challenge of individual data review alongside preparations for a large scale digital revolution in the launch of the Pension Dashboards.</p> <ul style="list-style-type: none"> <li>• Ongoing data collection, cleansing and maintenance of scheme member records ahead of legislation requiring the LGPS to implement the McCloud remedy</li> <li>• Development of the pensions administration system and employee knowledge and expertise to implement the remedy over the next two years</li> <li>• System development and additional services procured to enable the Fund to link to Pension Dashboards as these roll out across the industry over the next two years</li> <li>• Employee training and development to respond to an expected increase in volume of member enquiries</li> </ul>
<b>Strong Governance and Enhanced Reporting</b>	<p>In addition to the development of broad governance standards for the LGPS by The Pensions Regulator and Scheme Advisory Board, a range of more specific initiatives are expected in relation to investment guidance for the LGPS. In addition to the introduction of climate risk reporting standards, new guidance is expected to cover investment pooling and Fund actions on a wider range of ESG-topics, with further clarity needed on the ambition for the LGPS to engage in the Government's Levelling-Up agenda.</p> <ul style="list-style-type: none"> <li>• Active participation in developing policy and guidance, with reassessment of gap analysis, as this materialises</li> <li>• Appraisal of options for developing capabilities to meet higher standards</li> <li>• Review of operational process and assurance monitoring frameworks</li> <li>• Ongoing monitoring and development of the Fund's approach to cyber security</li> </ul>

## Area of Focus in Response to Change

### Investment Management, Oversight and Reporting

## Action Required

With an increasing focus on investment governance and continuing to strive for efficient portfolio management, we seek to:

- Allocate and transition assets, in context of a developing and moving market backdrop
- Build on our enhanced approach to stewardship, ensuring alignment and integration of responsible investment across the investment chain
- Continue to develop through the LGPS Central pool opportunities for scale benefit and enhanced monitoring and oversight

### Developing In-House Expertise Responsive to Change

Recognising the value and efficiencies which can be achieved through developing the in-house team, ensuring a sustainable workforce alongside

- Further development of knowledge and skills to reflect the changing nature of the scheme and evolving workforce
- Appraisal of in/out sourcing opportunities to ensure the right balance of risk and operational resilience
- Sufficient capacity with the Fund and key providers to take a proactive and enterprise-led approach to change

This is particularly important over 2022/23 as the Fund steps up its approach to protecting and safeguarding member benefits and engages with employers on the triennial funding review. It will also require close monitoring of industry-wide resource and capacity constraint, driving current levels of market attrition.

### Meaningful Engagement With Our Customers

Recognising that substantial change can distract and disengage key stakeholders, ensuring a focus on

- Developing customer feedback, including on channels and forums to support member planning
- Collaborative approach to resolution of emerging issues, ensuring these are acted on and lessons learned
- Holistic approach to employer funding and risk, appropriate to the nature of the employer and appetite to utilise funding flexibilities



# OUR GOALS AND AMBITIONS 2022-2027

Our Corporate Plan identifies seven key themes which feed our goals and ambitions

## PEOPLE AND CUSTOMERS

Ensuring we provide an inclusive and supportive working environment and create opportunities to build careers, securing the future local knowledge and skill for the Fund and continuing to be a voice within the LGPS and wider pensions industry. Continuing to create opportunities for members to engage with their pension saving and future benefits, enabling retirement planning and avoiding expectation gaps.

## CORPORATE COMMUNICATIONS

Building on the Fund's strong customer services proposition to deliver on our ambition to increase accessibility to the Fund's support services and engage wider stakeholders in the Fund's stewardship and partnership activity, aligned to our commitments to drive positive change and deliver for local people, whilst focusing on our core purpose of delivering long term sustainable pensions to our members and employers.

## COMPLIANCE AND RISK

As we look to enhance our services and respond to regulatory change, it is central to the change programme that we build and maintain integrated assurance, instilling confidence in our outcomes and that we are effectively managing the risks that present themselves recognising the opportunity as well the challenge they present.

## OPERATIONAL RESILIENCE

Noting the events of the last two years, together with the potential for significant change across the industry, the Fund's ability to flex, adapt and successfully respond will be paramount in its ability to effectively plan, resource and deliver its services into the long-term future. Our business resilience, including how we develop our people and operations, will be a key focus as we look to further build out our strong governance.



# OUR GOALS AND AMBITIONS 2022-2027

## INVESTMENT IMPLEMENTATION

Recent worldwide events have highlighted the need for the Fund to have resilience within its investments, building a long-term diverse portfolio able to withstand volatility in markets whilst responding to the long-term changing profile of the Fund's membership.

2022/23 will see the Fund deliver its triennial valuation, funding, and investment reviews. Reassessing the economic and financial outlook and risk, as well as the Fund's demographic development will be a core part of our engagement with Fund employers.

## STEWARDSHIP

The Fund's Responsible Investment Framework and Climate Change Framework and Strategy seek to invest for real world change, engaging to drive change and improve outcomes, ensuring the strong governance we build within our own organisation is reflected in the assets in which we invest. Looking ahead, plans that developed over 2021/22 will start to progress into practice, with ongoing review and reporting to demonstrate progress and outcomes aligned to our stewardship ambitions.

## CORPORATE RESPONSIBILITY

All the above theme's centre around our corporate responsibility to ensure we are developing our own organisation that lives up-to the standards we set for others. As a Fund, we aim to manage our own

environmental impact, add social value and continue to support our employees and local community.

<b>People and customers</b>	Developing stronger relationships	Fostering effective engagement	Collaborative learning
<b>Corporate communications</b>	Recognised leader	Active participant	Champion best practice
<b>Compliance and risk</b>	Confidence through assurance	Change agent	Operational efficiency
<b>Operational resilience</b>	Value for money	Organisation agility	Improved customer experience
<b>Investment implementation</b>	Integrated risk management	Net value add	Cost transparent
<b>Stewardship</b>	Active steward of capital	Real world change	Leverage collaboration
<b>Corporate responsibility</b>	Aligned ambition	Postive social value	Attractive local employer

# SPOTLIGHT ON OPERATIONAL RESILIENCE

## OUR AMBITION

To develop a robust operational capability focused on value for money, organisational agility and improved customer experience.

Going beyond cyber and technology resilience, ensuring we have processes and controls supporting full end to end business-critical activities, focused on meeting our customer requirements and enabling an efficient response to regulatory changes.

To remain a trusted leader, with embedded resilience with both internal operations, routine deliverables and customer service.

## WHAT IS OPERATIONAL RESILIENCE?

Operational resilience is our ability to protect and sustain the core business services that are key for our customers and key stakeholders, both during business as usual and in times of change and disruption.

The environment in which the Fund operates has seen some significant change over the last five-ten years, and the pace of change and increased oversight on our activities is continuing to grow. Ensuring operational resilience means we are able to prevent, adapt and respond to, recover and learn from operational disruption; and sustain the core business services that are key for our customers.

Resilience capability incorporates much of the traditional disciplines of business continuity management, operational risk across the Fund and its activities, cyber security and third-party risk management, but also introduces new perspectives including measuring overall resilience within functions and assessing the end-to-end deliverables.

The Fund has proactively responded to the changes, through the development of our core business activities and adapted these to meet and manage the new requirements. Most recently this has been demonstrated through our independent assessment of “substantial control” around our response to the Covid-19 pandemic.



The Fund’s approach to operational resilience ensures we operate an integrated range of activities connected to our people, the operating systems we use, and how we manage risks. Thinking about our business as a set of end-to-end services and using a holistic approach to managing our third-party service suppliers is key.

## KEY DRIVERS AND BENEFITS OF OPERATIONAL RESILIENCE INCLUDE:

- Enhanced assurance in context of increased regulatory scrutiny and oversight
- Creating capacity to respond to rising customer number and expectations
- Ensuring appropriate oversight and action across the Fund’s diverse investment portfolio
- Enabling delivery and implementing of funding and pension administration strategy
- Early action in response to risks on capability components

Through the development and integration of activities into an Operational Resilience Framework we aim to realise these benefits and build on our existing and established business continuity management, cyber and risk management frameworks.



# SPOTLIGHT ON RESPONSIBLE INVESTMENT

## OUR AMBITION

- To invest for real world change
- Be active stewards of capital
- Collaborate to drive change and improve outcomes

## HOW WILL WE ACHIEVE THIS?

The Fund continues to take responsible investment seriously and develop its approach to integrating responsible investment into the selection and stewardship of the Fund's assets.

As long-term owners of capital the Fund believes that investing responsibly is key to ensuring the long-term value of the assets in which it invests is protected and where possible, enhanced. Investing responsibly and engaging as long-term owners reduces risk over time and has been proven to positively impact investment returns. Therefore, we see the integration of responsible investment into the Fund's broader investment strategy as an integral part of our fiduciary duty in managing the Fund's assets and securing members' benefits.

We will build and develop our climate strategy to meet targets and our longer-term ambition (including our ambition to transition to a net zero future), as set out in our September 2021 Climate Framework and Strategy. This will be developed in conjunction with the strategic review of the investment strategy in line with the 2022 actuarial valuation.

It's important that we can hold ourselves to account and monitor progress along our journey to net zero to highlight if we are on track or need to take further action if we are falling behind. In order to do this, we will formalise interim targets which we will measure and report against annually.

We will implement a robust monitoring framework across all assets and investment providers for us to actively monitor our investments. The monitoring process will be delivered in line with our responsible investment framework, ensuring responsible investment is fully integrated across all our investment activities.

Our approach will be targeted and measured. We will focus on areas that drive the most value and have the biggest impact – namely decisions in relation to asset allocation and setting the investment strategy. We will best utilise resources available to us, looking to leverage our investment manager and partner relationships, with day-to-day asset management delegated to investment managers who are best positioned to capitalise on market opportunities where appropriate.

We will use our voice as one of the largest UK pension schemes to collaborate with industry working groups and like-minded investors. We will collaborate with purpose with the intention of influencing regulation and policy, leading by example and instilling best practice.

We have recently undertaken a review to prioritise our memberships and participation in working groups. We have chosen to focus on areas that are consistent with our engagement themes and areas/issues that are underrepresented by the market, reiterating our desire to lead by example and drive a positive impact.

Our climate strategy and monitoring framework will be developed by working closely with our specialist advisors. We will look for opportunities to invest in new technologies where possible and will set out a plan to improve the coverage of data across our assets. This will give us clear targets along our journey which can be monitored, evaluated and refined accordingly. We're aware that this is a complex and evolving piece and therefore will need to be reviewed as and when industry/best practice/data availability/regulation develops.

Being active stewards of capital will be central to achieving our ambitions. In addition to collaborating with like-minded investors we will continue to look to improve outcomes through our voting and engagement practices. We will coordinate our views with our voting partner and LGPS Central for scale and efficiency, ensuring there is a clear alignment of policies and intentions. Our approach will be targeted and consistent with our engagement themes and issues we deem to be of the highest importance.

# CREATING SUSTAINABLE FUTURES

Creating a space of learning and engagement, empowering individuals to become informed, engaged and enabled to take action in planning for their retirement.

CUSTOMER  
SERVICE  
EXCELLENCE



The Fund is keen to maintain its role as a community partner; engaging at local, regional, and national levels to enact meaningful change in the interests of our customers and stakeholders. It's crucial that the Fund's workspace allows it to deliver to a high standard. Equipment, space, and connectivity all factor into how well our people can connect with and serve our pension community. Playing a major role in instilling confidence in the Fund as the industry leader, it is these factors that provide the infrastructure to enable the Fund to act as an information hub and supportive partner.

Our new home within the i9 building maintains the Fund's presence within the West Midlands region, making sure we're accessible to our members and employers. The location's strong transport links also make it easy to collaborate and engage with the wider LGPS and our partners and peers across the industry. The inclusion of a large event space and the technology to support a range of face-to-face, hybrid, and digital engagements allows the Fund to reach

wider audiences and further cement itself as an industry leader, providing the best possible support we can to all our stakeholders.

The Fund's commitment to equality and inclusion ensures that our organisation is representative of the region we serve. Providing equal opportunity for all to become engaged in their pension ensuring our service and space is accessible, both in terms of location and the technology to support all individual needs.



# CREATING SUSTAINABLE FUTURES

To create an environment of opportunity and inclusion for our people, facilitating their ability to become involved in the shaping of their careers and the future of the organisation

**INVESTORS IN PEOPLE™**  
We invest in people Gold



The Fund relies on its people, or more accurately, the commitment, skills, and knowledge of its people, to meet the ever-changing needs of our organisation's growing customer base. Supporting colleagues across the Fund is critical in making sure that they can continue to serve our customers with the high levels of care and quality that they've come to expect from us. Our environment, and the space in which we cultivate it, plays a huge role in providing that support, enabling the Fund to be responsive to our customers' needs.

Ensuring people feel confident and effective in their roles is fundamental to the delivery of our people strategy as this drives improved efficiency and productivity in how we serve our customers. Our People Strategy aims to promote an inclusive environment that outlines how we will realise our workforce ambition enabling individuals to reach their full potential.

“

People are proud to work for the Fund and feel valued, supported and included in our focuses and priorities. Having the right environment that supports our people and customers is critical to the service we provide including how we work now and in the future.

## Investors in People





# CREATING SUSTAINABLE FUTURES

To create opportunities to be involved in the discussion, voting and engaging on our investments, effecting good stewardship and taking an active voice in the changing environment in which we operate.



West Midlands Pension Fund has been a leader in the development of Responsible Investment (RI) and Stewardship practices – as a founding authority within the Local Authority Pension Fund Forum (LAPFF) established in the early 1990s and more recently through early adoption of reporting in line with the recommendation of the Taskforce for Climate-related Financial Disclosure (TCFD) since 2017. The Fund is a longstanding advocate of collaborative engagement and aims to protect and enhance asset values over the long term through increasing dialogue, transparency, and disclosure. We utilise scale to influence, build partnerships and demonstrate value for money by integrating consideration of environmental, social and governance (ESG) factors into our investment beliefs, strategy, selection and ongoing stewardship practices.

Through our Responsible Investment Framework we support active stewardship and engagement and seek positive change to protect and enhance the Fund's assets,

ensuring they deliver the investment returns to support the payment of members' pension benefits.

As a leader in the industry Fund officers actively participate a number of national forums together with actively participating in debate and discussion that shape our regulatory environment, representing our members and employers ensuring their views are carried at national debate on proposed scheme changes. This in turn affords foresight of change enabling the strong governance and operational resilience in the Fund's service planning.



# OUR COMMITMENT



## STRONG GOVERNANCE

Providing assurance on the services we deliver with effective decision making.



## CUSTOMER FOCUSED

Enabling, educating and supporting our customers on complex issues flexing our services to our customer's evolving needs.



## GLOBAL INFLUENCE

Shaping the industry in which we operate, leading by example on key issues, including regulatory change, investment cost management, and responsible investment.



## DELIVERING FOR LOCAL PEOPLE

Enhancing our reach through developing our engagement model and supporting our communities through opportunity.

# OUR RESOURCES

## WEST MIDLANDS PENSION FUND

### INVESTMENTS

- Investment Strategy
- Responsible Investment
- Investment Pooling
- Asset Allocation
- Oversight of Management Arrangements
- Investment Partnerships

### FINANCE

- Accounting
- Treasury
- Technical Accounting
- Budget Management

### PENSION SERVICES

- Customer Engagement
- Funding and Risk Management
- Employer Onboarding and Coaching
- Communications and Events

### OPERATIONS

- Benefit Operations (including Payroll)
- Systems
- Technical
- Programme and Product Delivery

### GOVERNANCE AND CORPORATE SERVICES

- Compliance and Assurance
- Data Management
- People Services
- Governance
- Corporate Services

### FINANCE - OPERATING BUDGET

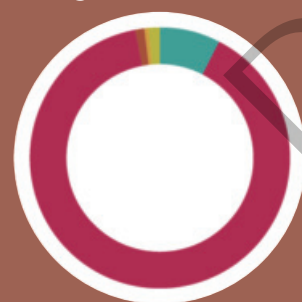
Budget 2021/2022



Total operating budget  
**£110.2 million**

Employees  
Advisors  
Corporate costs

Budget 2022/2023



Total operating budget  
**£xxx million**

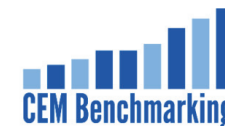
Support services  
Investment management costs

### ASSETS UNDER MANAGEMENT<sup>†</sup>

AUM 2020/21  
as at 31 December 2022 ..... **£18.7bn**

AUM 2021/22  
as at 31 December 2022 ..... **£20.6bn**

<sup>†</sup> Unaudited figures



### INVESTMENT PERFORMANCE

Absolute return  
over six years ..... **6.7** %p.a.  
vs  
LGPS median ..... **6.1** %p.a.  
**Benchmark** ..... **5.9** %p.a.



# OUR SPACE

At the West Midlands Pension Fund, we believe that our environment plays a vital role in supporting our people, our members, and our employers.

We will complete our move to Wolverhampton's i9 development in April 2022 – a highly accessible and modern space which has been purpose-built to support our members, employers and employees as we engage in our core mission of contributing together to create sustainable futures for all.

Our new space provides a hub for engagement and platform for the further development of our face-to-face and hybrid support services and events.

In the year to March 2021, the Fund delivered 75 employer events, and reached over 3,500 members through its digital engagement, an area which became a priority for our communication team in the absence of face-to-face events. We have invested in our technology and meeting and event space to support employee collaboration and training and facilitate region and industry participation as the Local Government Pension Scheme continues to grow and evolve.

It is important to the Fund that we continue our work as a responsible employer and local community partner. This has been reflected in the sourcing and development of our site and will continue on to its in-use phase. In managing and reducing waste and seeking opportunity to offer social value, the Fund has been able to donate items not longer needed to local community groups. The Fund will continue to invest in its both its people and the environment it creates, providing career opportunities, retaining and building on the skills and knowledge in the local area.





**Councillor Milkinder Jaspal**  
Chair – Pensions Committee



**Councillor Craig Collingswood**  
Vice Chair – Pensions Committee



**Rachel Brothwood**  
Director of Pensions



**Tom Davies**  
Assistant Director –  
Investments Strategy



**Shiventa Sivanesan**  
Assistant Director - Investment  
Management & Stewardship



**Rachel Howe**  
Head of Governance and  
Corporate Services



**Simon Taylor**  
Assistant Director – Pensions



**Amy Regler**  
Head of Operations



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