

# Pensions Board

17 October 2023

<b>Report title</b>	Corporate Plan Monitoring	
<b>Originating service</b>	Pension Services	
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## Recommendations for action:

The Pensions Board is asked to note:

1. The work undertaken by the Fund to work towards the goals and ambitions outlined in the Corporate Plan 2023 – 2028.

## **1.0 Purpose**

- 1.1 To provide Board with an update on the work of the Fund in achieving its deliverables and targets set out in the Corporate Plan.

## **2.0 Corporate Plan 2023 – 2028**

- 2.1 The Fund adopted its Corporate Plan in March 2023 on reflection of the current issues and drivers for change across the Local Government Pension Scheme (LGPS) and wider investment industry taking on board learnings over the year about our customer needs, and evolving operating environment, together with a review of our service offering. Throughout the year the Fund has been waiting on a number of regulatory changes with identified themes throughout 2022 continuing into 2023, including the potential for cost of living pressures to impact savings and the delivery of sustainable pensions in retirement, together with the continued challenge across the LGPS and wider industry on building and retaining key skills and knowledge. Responsible and sustainable investment ambition continues to inform investment strategy and implementation, as the Fund seeks long term returns, added value for customers and further strengthens operational resilience through good governance and effective risk management.
- 2.2 During the first half of the year the Fund has remained committed to enhancing service delivery for our customers with the ongoing development and roll out of the new pension administration system over Summer 2023. The new platform includes additional self service functions for members and employers, enabling retirement planning and the management of benefit records in partnership with Fund employers.
- 2.3 The new system has seen a change to working practices which aim to generate efficiency in the processing of member pensions with benefits being seen in the processing times for monthly payroll run. In recognising the change to practices, the Fund has been committed to its objectives of supporting employee development and knowledge, with training materials and on hand support available to aid employee engagement with the new system. As well as developing this knowledge, the Fund is committed to seeking continual improvement alongside the processing efficiencies as benefits of the change continue to be developed and realised.
- 2.4 Throughout the programme of transition, the Fund has remained committed to ensuring improvement in the service offering to our members and employers, with the retention of Customer Service Excellence being a demonstrative outcome from the Fund's ongoing drive to continue to improve customer services, with an increase in areas of compliance plus (to 5 from 3) noted in the May outcome report.
- 2.5 In building on our focus to engage and inform our customers, the Fund launched its first responsible investment member engagement survey in May 2023, receiving over 7,300 responses. The survey highlighted the Fund's responsible investment approach and sought to understand member awareness and perspectives. The importance of good stewardship of assets and the Fund's success in driving progress is highlighted by both the growth in investment manager and asset owner signatories to the 2020 UK

Stewardship Code and the Fund's July 2023 submission, which led to the Fund being awarded signatory status for the third year running in September 2023.

- 2.6 As the Fund looks to build and shape its service delivery, and in response to the industry wide challenges on recruitment and retention, the Fund was acknowledged for its role in developing people and supporting career development through its reaccreditation for Investors in People Gold standard in June 2023. The Fund continues to build on our focus of becoming a people development champion and centre of excellence across the region. For example, earlier this year the Fund received platinum status as an accredited ACCA employer. The success of these accreditations has supported the Fund's objective to grow and develop talent across the region, with over 70 applications received for individual graduate roles in this cohort of recruitment.
- 2.7 In building our focus on risk management and operational resilience, the Fund has completed its second independent Cyber assurance exercise which seeks to challenge suppliers on their cyber resilience as part of continuing to develop and enhance the Fund's own cyber strategy. This in conjunction with a review of the Fund's Business Continuity Planning and ongoing development and review of the wider control framework, aim to provide further assurance to our stakeholders on the resilience of our operations in the face of a continuity or risk event.
- 2.8 In test and challenge of the Fund's Governance and Management and in line with our objective of continuous improvement and to provide assurance on activities, the Fund undertakes independent benchmarking, aiding assessment of value for money and service delivery. This quarter the Fund has completed submissions to CEM Benchmarking and will be compared with peers across the LGPS and wider pensions industry.
- 2.9 In September Fund achievements were recognised through awards received for Investment Innovation and Rising Star within the LGPS industry. Awards received from the LAPF (Local Authority Pension Fund) Investment Awards 2023 reflect the Fund's collaborative and innovative work to support investment within the region and enhance member engagement in saving and planning for retirement.

### **3.0 Looking Ahead**

- 3.1 Over the last quarter, there have been a number of consultations and regulations launched by Government, including the "Next Steps on Investments", McCloud guidance and regulations on the application of remedy to member benefits, together with a number still pending, including further details on the "reset" of the UK Pensions Dashboards, the Pension Regulator's (tPR) single/general code of practice, together with the outcomes from the LGPS consultation on climate risk reporting. Many of these place an increased focus on oversight and reporting, building on the theme in our corporate plan of data culture and information management. Going forward the Fund will need to continue to enhance its reporting tools and engage in dialogue on the development of standard reporting to increase efficiency and use to the benefit of the LGPS.

3.2 Focus over the next four-six months will be to build on the benefits realised from the new administration system and reviewing the future Fund development in context of emerging regulatory change and priorities. The implementation of changes agreed for 2023 investment strategy will continue at pace and be cognisant of the evolving economic and market environment, working with our partners in LGPS Central pool to create an environment to enhance long term sustainable returns. In conjunction with this, the Fund will continue to focus on developing our people, culture and behaviours, fit for a changing environment and will look to continue to build resilience in our human capital.

#### **4.0 Financial Implications**

4.1 The Fund's delivery of its Corporate Plan and the initiatives developed to support are included in the Fund's budget for 2023/28, an update is provided in the Budget report.

#### **5.0 Legal Implications**

5.1 The Local Government Pension Scheme is governed by a combination of local government, finance, and occupational pension scheme regulations. The Fund undertakes a continual review of the legislation governing the management and administration of the Fund and its investments, ensuring a proactive management of change and compliance.

5.2 Failure by the Fund to comply with legislation and/or statutory guidance can result in enforcement action and fine from both tPR and the Courts via judicial review.

#### **6.0 Equalities Implications**

6.1 The Fund undertakes Equality Impact Assessments for all new initiatives with considerations given to Equality and Inclusion in line with guidance from the Employers Network for Equality and Inclusion (ENEI). There are no implications.

#### **7.0 Other Implications**

7.1 There are no other implications.

#### **8.0 Schedule of Background Papers**

8.1 [WMPF Corporate Plan 2023](#)

#### **9.0 Schedule of Appendices**

9.1 There are no appendices to this report.