

# Pensions Committee

20 March 2024

<b>Report title</b>	Corporate Plan 2023-2028	
<b>Originating service</b>	Pension Services	
<b>Accountable employee</b>	Rachel Howe Email	Head of Governance, Risk and Assurance <a href="mailto:rachel.howe@wolverhampton.gov.uk">rachel.howe@wolverhampton.gov.uk</a>
<b>Report to be/has been considered by</b>	Rachel Brothwood Email	Executive Director of Pensions <a href="mailto:rachel.brothwood@wolverhampton.gov.uk">rachel.brothwood@wolverhampton.gov.uk</a>

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## Recommendations for approval:

The Pensions Committee is recommended to approve:

1. The continuation of the Fund's the Corporate Plan 2023 – 2028 for the coming year, noting delivery against its goals and ambitions over 2023/24 and review planned for 2025, once the current themes have run for three years.

## **1.0 Purpose**

- 1.1 To provide Committee with an update on the work of the Fund in delivering against the goals and ambitions set out in the Corporate Plan 2023 – 2028.

## **2.0 Background**

- 2.1 The Fund's latest Corporate Plan covers the period from 2023-2028 and was developed ahead of approval in March 2023, taking into account the evolving regulatory landscape, the developing needs and expectation of Fund customers and the Fund-led initiatives contributing to the delivery of sustainable futures for all.
- 2.2 The Fund, through its ongoing dialogue with customers, employees, industry and governing bodies, identified risk-based drivers for priority and change which are common across a number of themes. These relate to ongoing enhancement of data and information management, supporting customers and people through change and extending inclusive engagement supported by an outcome orientated approach.
- 2.3 The Plan includes seven themes and spotlights a targeted approach to investment implementation and stewardship, adding value for our customers, operational resilience and the development of internal controls, risks management and assurance.
- 2.4 The Committee received an update on the Fund's progress during 2023/24 in September 2023. During the first part of the year, Fund achievements were noted in re-accreditation of the Fund's Investors in People Gold standard and Customer Service Excellence, ongoing signatory status to the UK Stewardship Code and awards for innovation in investment and member communication initiatives. Launch of the new Pensions Administration System, ongoing finance transformation programme and review of the Fund's business continuity programme were ongoing and contributing to the developing programme of work to further develop operational resilience.

## **3.0 Progress update and Looking Ahead**

- 3.1 Over the last six months, the Fund has continued to make progress across all seven themes, whilst being agile to the developing operational challenges and emerging regulatory changes and standards impacting all Administering Authorities within the LGPS. Many of the areas noted below are covered in more detail in other reports to the Committee and are noted here for the purposes of demonstrating alignment with the aims and objectives of the Corporate Plan.
- 3.2 Engaging our people and customers.

Recruitment, employee development and support has focused on building capacity, resilience, and skills to manage change and growth in a challenging customer serving environment. Parallel focus on the value and importance of diversity and inclusion through planned engagement has provided greater insight and understanding of the

Fund's areas of strength and focus for future development. Recognising natural differences in individual engagement and learning styles has also resonated with customer servicing and member outreach work. Customer updates, servicing and information has been developed and informed through engagement with members, employers and their representatives, with the impact on customer experience to be measured in feedback over future periods.

As discussed with the Committee in September 2023, the Fund recognises both the wide range of customer requirement and engagement preferences. Balance of resource and focus across both in-person and online support has been maintained and continues to develop as customer demand, requirements and Fund capacity continues to evolve. Further engagement with the Fund's customer base is planned as the Fund continues to develop its forward-looking diversity and inclusion commitment. Changes within Fund employers and the potential impact on members is an area the Fund continues to monitor and reach out to support.

### 3.3 Progressive investment and stewardship activity

Cognisant of the changing economic and market environment and change in strategic asset allocation set out in the Fund's investment strategy statement approved in March 2023, significant progress has been made to reallocate Fund assets towards meeting long term targets. Alongside priority review of areas of the portfolio where allocation is significantly increasing, the responsible investment framework, driving beliefs and engagement themes have been reviewed and updated for integration alongside existing and new investment mandates.

As part of its ongoing asset management the Fund has continued to seek opportunities to improve the sustainability attributes of assets, with ongoing climate risk reporting and wider climate framework and strategy review pending, to continue to monitor and track progress towards meeting the Fund's Net Zero ambition.

### 3.4 Developing risk management approach and operational resilience

As part of continuing to develop and build the Fund's risk management approach, the Business Continuity Planning (BCP) Framework has been updated to reflect working arrangements and practice post COVID-19, reflecting the more agile working environment and changes to working and recovery plans required. Alongside measures to ensure the Fund is well equipped to manage incidents (including safeguarding and cyber) this is supporting review and refresh of day-to-day service resilience plans, to ensure effective line 1 risk management.

Over the last six months and as part of the finance transformation programme and wider assurance planning work, internal controls frameworks have been reviewed and updated across finance, fund accounting, IT general controls and investments, with work ongoing to embed and test.

### 3.5 Effective resource allocation and value for money

During the year resource allocation and spend has been reviewed and reallocated to meet the emerging priorities and demands on the Fund. Responding to customer servicing and benefit processing has taken priority of over elements of service development in the short term. An extended period of Pensions Administration System development and change has also impacted progress on planned operational development with additional project work being identified and planned for 2024/25 to support progress in the coming year.

Both Fund administration and investment servicing has been benchmarked independently and continues to demonstrate value add by the Fund's the delivery of pension administration services and implementation of investment strategy.

### 3.6 Contributing to partnerships and industry development

In a year where the pensions industry has been in the spotlight and subject to a wide range of consultation and change, the Fund and Leadership team have been active in engaging with industry development, debate and responding to consultations. This has been valuable in informing the Fund's own development and prioritisation, keeping Governing Bodies up to date and working with peers and partners to develop and respond to increasing asks from the government and industry regulators.

As a result, the Fund is well placed to respond to increasing governance standards and reporting requirements being introduced for the LGPS and will remain focused on its response to new statutory deliverables (such as Pensions Dashboards) over 2024/25.

### 3.7 The Year Ahead

The Fund's Senior Leadership Team have reviewed the Corporate Plan 2023-2028, associated themes and ongoing initiatives. These remain appropriate for 2024/25 noting a number of the regulatory and Fund-led changes which were on horizon are now moving to implementation. Progress will continue to be monitored over the coming year, with a view to re-setting from 2025, when the current themes will have run for 3 years.

## 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 operational budgets for 2023/24, 2024/25 and 5 year financial plan.

## 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 ENEI. There are no implications.

## **7.0 Other Implications**

- 7.1 None

## **8.0 Schedule of Background Papers**

- 8.1 [WMPF Corporate Plan 2023 – 2028](#)

## **9.0 Schedule of Appendices**

- 9.1 None.