

Attendance

Members of the Pensions Board

Cllr Harbans Bagri
Sharon Campion
Annette King
Joe McCormick
Cllr Sandra Samuels
Adrian Turner
Chris West

Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Geik Drever	Strategic Director of Pensions - West Midlands Pension Fund
Dereck Francis	Democratic Support Officer
Rachel Howe	Head of Governance - West Midlands Pension Fund

Part 1 – items open to the press and public

Item No. *Title*

1 **Election of Chair**

Resolved:

That Cllr Sandra Samuels be elected Chair of the Board for the remainder of the 2016/17 Municipal Year.

Following the election of the Chair, Chris West registered his concern that in governance terms and as a matter of principal he thought it inappropriate for a serving Councillor of the Fund's administering body to be Chair of the Pensions Board.

Geik Drever, Strategic Director of Pensions reported that some Pension Boards had independent Chairs but there was no right or wrong approach. The important aspect was the transparency, how the Fund worked and the results the Board achieved.

Adrian Turner suggested that for next year the Board consider rotating the Chair and Vice Chair positions between the Employee and Employers sides.

2 **Election of Vice-Chair**

Resolved:

That Annette King be elected Vice-Chair of the Board for the ensuing Municipal Year.

3 **Apologies for absence (if any)**

Apologies for absence were submitted on behalf of Lee Nash and Caroline Jones.

4 **Declarations of interests (if any)**

No declarations of interests were made.

5 **Minutes of the previous meeting - 19 January 2016**

Resolved:

1. That minute 7 (Pensions Administration – data quality) be corrected by the substitution of the name 'Mike' for the name 'Chris' in the second paragraph to that minute.
2. That subject to 1 above, the minutes of the previous meeting held on 19 January 2016 be approved as a correct record and signed by the Chair.

6 **Matters arising**

There were no matters arising from the minutes of the previous meeting.

7 **Data quality**

Further to the discussion at the last meeting, Rachel Brothwood, Assistant Director Actuarial and Pensions presented a report on progress being made by the Fund to continue to improve data quality and plans in place to make further improvements.

In response to questions from the Board the Assistant Director Actuarial and Pensions reported that the total charges levied to employers for delays and errors encountered in the 2015 annual return and benefit statements processes comprised a range of different sized employers who received charges ranging from £100 and up to £30,000. The schedule of fines and charges had been reviewed to make them fairer and transparent for employers.

Geik Drever, Strategic Director of Pensions added that the policy of engagement with employers on data gaps and exchange had worked thus far. If this approach failed the Fund had the option of reporting employers to the Pensions Regulator for continuous failures to provide accurate data.

The Assistant Director Actuarial and Pensions also reported that the Fund was awaiting to hear from five employers regarding outstanding data queries and that a face to face meeting with them might have to be arranged.

Resolved:

1. That the Pensions Committee consider the concerns raised by the Pensions Board and closer monitoring on work in this area be noted.
2. That the actions of Fund officers and progress made by the Fund and employers to improve the Fund's data records be noted.

8 **Report of the Chair of the Pensions Board**

Cllr Sandra Samuels briefly introduced the annual report on the work undertaken by the Board during 2015/16. Production of the annual report was a legislative requirement and the framework for the content of the report was in line with the regulations.

Referring to the statistics on Pension Board individual Trustee training hours, Annette King commented that the table did not include hours of self-study she had undertaken. Rachel Howe, Head of Governance, Pensions Service undertook to

check. Geik Drever, Strategic Director of Pensions asked Board members to notify Jane Hazeldine, Trustee Management with the hours of any self-study they have undertaken.

Referring to the Board's work plan, Chris West asked that 'funding and deficit levels' and 'the quality of relationships the Fund had with employers and members' be included on the work programme. He queried the objectives of the Fund and commented that Councils and Academies were struggling financially but at the same time the Fund was being well run.

Paul Sheehan reported that when the outcome of the Actuarial Valuation was announced it was possible that employers might be adversely affected. Therefore putting employees on notice of this in order that they could plan would be helpful.

Rachel Brothwood, Assistant Director Actuarial and Pensions reported that employers were aware of the issues in terms of the economic climate. The Fund was in the middle of two weeks of targeted presentations to employers. It is aware that the outcome of the actuarial valuation was key and employers need an early warning in order to plan and understand what the Actuarial Valuation might mean for them. The Assistant Director also reported that the Fund regularly circulated surveys to employers and members. She undertook to talk about member engagement at the mid-year review.

Mike Sutton added that a further issue was how those employers who do not engage with the Fund get to receive the early warnings.

Geik Drever, Strategic Director of Pensions reported that in terms of the funding deficit, the Fund needed to strike a balance but make sure that it could pay pensions.

Resolved:

1. That the annual report be noted.
2. That the quality of relationships the Fund has with employers and members be included on the work programme.
3. That an update report on member engagement (survey results and key performance indicators) be submitted to the next meeting of the Board.

9 **Governance monitoring report 2016**

Geik Drever, Strategic Director of Pensions presented a report on work being undertaken by the Fund in relation to its effective governance.

Paul Sheehan commented that the report was indicative of a well-run organisation. However, the challenges facing the Fund were elsewhere and not in its governance arrangements. In response the Strategic Director reported that the Fund would alert the Board to the risks.

Resolved:

That the work undertaken by the Fund in 2016 to ensure the effective governance of the Fund be noted.

10

Internal Audit report 2015-16

Rachel Brothwood, Assistant Director Actuarial and Pensions presented the report on the outcome of the work programme for internal audit during 2015-2016.

Resolved:

The internal audit report for 2015-2016 be noted.