



West Midlands Pension Fund



2020

ANNUAL REPORT AND ACCOUNTS

CONTENTS

3	Introduction	66	Investment Policy and Performance
4	Opening Statement of the Chair of the Pensions Committee	67	Investment Strategy
6	Opening Statement of the Chair of the Local Pensions Board	75	Top Twenty Equity Holdings and Top Twenty Indirect Holdings
7	Opening Statement of the Director of Pensions	76	Responsible Investment
10	Management and Financial Performance - Financial Performance - Risk Management and Assurance	87	Assets Held as at 31 March 2020
20	Operations and Pension Services	89	Actuary's Statement as at 31 March 2020
25	Governance Arrangements - Governance Compliance Statement - Investment Pooling - Member Training	92	Statement of Accounts
34	Internal Audit	93	Independent Auditor's Report to the Members of City of Wolverhampton Council on the Consistency of the Financial Statements of West Midlands Pension Fund Included in the Pension Fund Annual Report
35	Our People	94	Statement of Responsibilities
37	Communications Report and Communications Policy Statement	95	Fund Account
42	Management and Financial Performance	95	Net Assets Statement
43	Fund Highlights	96	Notes to the Accounts
44	Scheme Management and Advisors as at 31 March 2020	118	Pensions Administration Strategy (PAS) 2019
45	Administrative Management Performance – Overall Fund Statistical Information	131	Funding Strategy Statement (FSS) 2020
50	Contributions Receivable by Employer	160	Investment Strategy Statement (ISS) 2020
		178	Administering Authority Policy Statement 2020
		188	Further Information
		189	Participating Employers in the Fund as at 31 March 2020



INTRODUCTION

- 4** Opening Statement of the Chair of the Pensions Committee
- 6** Opening Statement of the Chair of the Local Pensions Board
- 7** Opening Statement of the Director of Pensions
- 10** Management and Financial Performance
 - Financial Performance
 - Risk Management
- 20** Operations and Pension Services
- 25** Governance Arrangements
 - Governance Compliance Statement
 - Investment Pooling
 - Member Training
- 34** Internal Audit
- 35** Our People
- 37** Communications Report and Communications Policy Statement

INTRODUCTION

OPENING STATEMENT FROM THE CHAIR OF THE PENSIONS COMMITTEE

RESPONSIVE AND RESILIENT IN CHALLENGING TIMES



Councillor Milkinder Jaspal

The value of strong Fund governance has come to the fore as we reach the end of an unprecedented year and face the impact of uncertain futures for organisations across our region, country and globe. With Coronavirus dominating the headlines and leadership agendas in recent months, and daily tasks set to remain disrupted for some time, there is already a clear pattern emerging – those who are better prepared and governed more likely to lead and come back stronger in recovery.

Our Pensions Committee and Local Pensions Board have continued to meet and engage in regular Fund briefings, monitoring emerging issues and scheme changes as they unfold, enabling timely response and reaction to the developing environment. This has been vital in ensuring ongoing service delivery.

West Midlands Pension Fund continues to be well placed to support employers and deliver pension benefits to members. During the 2019/20 we have seen increased engagement with our employers and pension members throughout completion of triennial funding and investment strategy reviews, continued development of employer and member tools and roll-out of additional online information and targeted seminars to enable retirement planning.

Our Member Portal continues to grow in use, with account numbers increasing by 20% to over 94,000 during the year.

Throughout lockdown and overcoming common barriers many have experienced within the pensions industry, our Customer Services have continued to provide telephone and messaging services to our members – an important achievement given this is an uncertain time for future jobs and financial security. Additional communications and online webinars have been provided to support and reassure pension members about their benefits and the Fund's response to the pandemic.

DEVELOPING EFFICIENT AND SUSTAINABLE STRATEGIES

Service development and implementation tools have continued to evolve through partnership arrangements in place across the Fund's administration and investment practices. With the transformation of mailing services and ongoing development of the administration system during the year, we continue to develop more secure and cost effective practices bringing efficiencies, transparency and

empowering oversight of employer and Fund administration performance. During the year (and by end of April 2020) our Fund has transferred assets of £370 million to pooled Funds launched by the LGPS Central investment pool, taking the total in purpose-built pooled funds to £6.4 billion (c40%).

The pool Company has supported the Fund's delivery of its Responsible Investment strategy through integrated asset management, a targeted stewardship programme, collaborative engagement on policy issues and investment fund launch.

More of our Fund's investments are now targeted towards those organisations who are climate-aware, pursue green revenue and have strength of governance to deliver sustainable businesses and investment returns which support in meeting pension payments over the long term – the Fund is on target to meet its goal of allocating 10-15% of Fund assets to low carbon and sustainable investments by 2023.

Our triennial funding and investment reviews highlighted an improved funding level at 94% (compared to 81% in 2016) and an opportunity to manage investment risk more efficiently through changes to the



INTRODUCTION

OPENING STATEMENT FROM THE CHAIR OF THE PENSIONS COMMITTEE

Investment Strategy. Alongside these, the responsible investment and investment risk and assurance frameworks have been developed to support stewardship and develop a three-year programme for engagement across those issues and risks identified as most important to the success of Fund and its stakeholders.

RECOGNISED LEADERSHIP

Our leadership has been recognised amongst institutional investors, UK and European pension funds – our Fund was ‘Highly Recommended’ for its Climate Related Risk Management at the IPE Awards in December 2019 and achieved a A+ on strategy and governance (with A+/A across the eight asset classes) under the UN Principles for Responsible Investment (PRI) 2020 assessment. The Fund was one of only eight LGPS funds to complete the enhanced assessment under the signatory framework.

Independent benchmarking of the Fund’s approach to pension administration and implementation of investment strategy during the year highlighted the enhanced member and employer services we provide and delivery of added value through investment return for relatively lower cost than peers within the LGPS and across similar pensions funds globally.

The Pensions Committee and supporting Local Pensions Board continue to commit time to support the work of the Fund through meetings, events and training (held remotely in recent months), with over 1,000 training hours recorded during 2019/20. Training and development of knowledge across our Fund’s governing bodies and employees continues to be a priority – attainment of the new Gold Standard from Investors in People in February 2020 highlighted the development and success of our people development strategy. Recruitment and internal progression reflect the programme in place to grow and retain talent within the Fund.

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...our customer services have continued to provide both telephone and messaging services to our members – an important achievement given this is an uncertain time for future jobs and financial security...

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During the year, I have taken on the role of Chair of the Pensions Committee, joined by Councillor Clare Simm as Vice Chair. I’d like to thank Councillor Steve Simkins (former Chair) and all the Pensions Committee and Local Pension Board members for their ongoing support to the Fund over the year.

We have an established rolling five-year Service Plan, developed in collaboration, which puts us in a good place to manage

the changes and challenges for the Local Government Pension Scheme in the coming years. I thank the Fund officers for their ongoing commitment to support and build on the success on the Fund.

Councillor Milkinder Jaspal
City of Wolverhampton Council
Chair of the Pensions Committee
Date: September 2020



IPE CONFERENCE & AWARDS 2019
HIGHLY COMMENDED CLIMATE RELATED RISK MANAGEMENT

PRI Principles for Responsible Investment

OPENING STATEMENT FROM THE CHAIR OF THE LOCAL PENSIONS BOARD

EFFECTIVE GOVERNANCE AND RISK MANAGEMENT



Joe McCormick

The Board has played an active role in supporting the work of the Fund during the year. With a wider range of performance metrics and policy developments being monitored to support the Fund's delivery, the Board has overseen delivery of the Service Plan and noted the expectations set by The Pensions Regulator for well governed schemes. During the year, the Fund's governing bodies collectively attended training and events which support our roles in managing and administering the Fund. The challenges facing LGPS funds, our members and employers has been at the heart of activity for our Fund.

Expectations for LGPS fund governance and pension administration have become clearer during the year, as The Pensions Regulator (TPR) published in autumn 2019 the outcomes of its scheme wide engagement programme, incorporating engagement with West Midlands. The engagement sought to understand individual Fund's application of the Regulator's code of practice within their day-to-day arrangements, noting activity which enhanced the resilience in delivery for pension members. It was pleasing to note that independent advisers to the Fund were able to identify many examples of WMPF's good practice referenced in TPR's outcome report.

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I credit and thank our officers, whose own resilience and commitment to delivery has enabled the Fund to adapt quickly and rapidly to ensure ongoing service delivery.

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Within my own dialogue with The Pensions Regulator, feedback from the engagement exercise has been reiterated and progress noted on the achievements made from the Fund's targeted approach to data management. In particular it is clear that monthly data collection and employer engagement has increased production of member benefit statements.

The employers and members participating in the Fund continue to grow and change, with the Fund adapting and enhancing pension administration arrangements which have ensured the ongoing achievement of operational KPIs. Relationships have also developed with Fund employers where open and timely dialogue with Fund officers has been beneficial to navigate and avoid disruption of member benefits. The growing programme of support and increasing ability to access online, is well received by LGPS pension members and employers and is evidenced in the increasing take-up.

The Board noted and have been impressed by the Fund's response to Covid-19, identifying and responding early to risks and retaining services, proactively communicating with LGPS pension members and employers to better understand their own resilience.

This has been vital in informing priorities. We have received assurance of the Fund's ability to meet the priorities set out by The Pensions Regulator and Pensions Administration Standards Association (PASA). I credit and thank our officers, whose own resilience and commitment to delivery has enabled the Fund to adapt quickly and rapidly to ensure ongoing service delivery.

Cost and efficiency in delivering a well governed scheme valued by members and employers remains a key focus for the Board and development of the investment risk and assurance framework during the year have been welcomed. Our forward plan for 2020/21 was agreed by the Board in July and we look forward to continuing to support the work of the Fund as the scheme continues to evolve and new guidance and governance standards develop during the year.

Thank you to my fellow Board members, and Vice Chair, Adrian Turner for your ongoing commitment and engagement over the year.

Joe McCormick

Business Manager, Rookery School
Chair of the Local Pensions Board
Date: September 2020



OPENING STATEMENT FROM THE DIRECTOR OF PENSIONS

BUILDING BETTER IS OUR BUSINESS AS USUAL



Rachel Brothwood

In a year set to be dominated by our triennial actuarial valuation and investment strategy reviews, the Fund has delivered results across all eight corporate priorities and demonstrated resilience to the disruption caused by the Coronavirus pandemic. Balancing the business as usual activity with strategy review and service development work has been challenging, but the ground work undertaken to build good governance and risk management practices internally and collaborative partnerships with key stakeholders has paid dividends during the year.

Further details are provided throughout this report, with highlights below:

2019/20 priority	Example outcomes
 Customer engagement and communication	We saw a 50% increase in employer engagement in our 2019 actuarial valuation process, with employers representing 97% of liabilities making contact with the Fund.
 Our people	Our Investors in People Gold assessment noted our more advanced approach to delivering continuous improvement and inclusive approach to development and delivery of change, with high levels of employee engagement
 Governance and risk	Review and action following testing of our business continuity plans enabled 98% of employees to continue to perform their roles during lockdown, with customer services continuing fully open, safely off-site.
 Data management and reporting	Employer monthly data submissions have been processed with over a 40% reduction in errors on load, increasing the efficiency of member data handling
 Regulatory and system change	Our digital transformation programme has seen progress across all eight projects, with two completing in year to deliver operational efficiency and enhanced data protection
 Funding and investment strategy	Following a period of strong investment performance, the funding level increased to 94% at 31 March 2019 and we were able to contain overall employer contribution levels and identify opportunities to reduce investment risk to reduce future volatility
 Strategic asset allocation	Portfolio positioning during the year provided protections from the fall in global markets in the first quarter of 2020, with ongoing monitoring of recovery.
 Financial management and cost transparency	The Fund delivered services within operational budget, with independent benchmarking demonstrating investment value add on implementation 0.7% p.a. ahead of LGPS peers and 0.8% p.a. ahead of global peers over five years

INTRODUCTION

OPENING STATEMENT FROM THE DIRECTOR OF PENSIONS

In addition to the above, our teams have focused on core functions, improving performance against service targets set on all pension administration activity and increasing the delivery of annual benefit statements to members through resolution of discrepancies in benefit records.

We moved early in response to employer feedback and experience operating the funding strategy in the context of change to the scheme regulations during 2019 on employer exit credits. A revised *Funding Strategy Statement* and policy was implemented from April 2020, following consultation with our employers.

We have continued to listen and adapt our support to employers and members during lockdown – continuing virtual meetings and forums such as the employer peer group and moving our Mid-Year Review event to a series of bite-size online webinars. We understand that many employers face a challenging and uncertain time within their own organisations and may have short-term financial or cashflow challenges – our officers have been reaching out to those sectors and employers who may be affected to enable early engagement on any potential risks to the employer being able to meet their obligations to the Fund or changes to their organisation which could impact their members.

CREATING PLATFORMS FOR POSITIVE CHANGE

In dialogue with the affected employers, administering authorities and the Government Actuary Department, during the year a joint application was made to the Ministry of Housing, Communities and Local Government (MHCLG) to approve the merger of the West Midlands Local Government Pension arrangements. Following statutory consultation, scheme regulatory change and associated Secretary of State Direction were received in November 2019. Implementation of the merger of the West Midlands Integrated Transport Authority (WMITA) Pension Fund into the main West Midlands Pension Fund, effective from 1 April 2019, has now been completed and this is reflected throughout this year's Report and Accounts. The merger brings both arrangements to the City of Wolverhampton Council as administering authority and efficiently supports the funding and risk management of the legacy transport fund.

Responsible investment and implementation of our *Climate Change Framework and Strategy* has remained a priority throughout the year, together with continuing to build collaborative partnership arrangements to support

implementation of this and our wider investment strategy. Engagement through the Local Authority Pension Fund Forum (LAPFF) and LGPS Central partnership has contributed to changing company responses to climate change, developing industry standards to tackle the impact and risk of plastic pollution and challenge the global action to protect and ensure the safe use of our online spaces. The Fund has also continued to respond and act on a number of specific social and human rights issues, supporting initiatives to tackle workforce practices, modern slavery and the use of controversial weapons, engaging with members, policy makers and interested campaign groups during the year.

Investment partnerships have also grown with further investments to the LGPS Central pool, targeted arrangements to facilitate local infrastructure investment and most recently the transfer of the Pension Infrastructure Platform (in which West Midlands' was one of five UK pension funds to Founder Invest) to Foresight Group, further supporting the Fund objectives for low cost and long-term sustainable investments.

Benchmarked against global and LGPS peers and adjusted for differences in asset allocation, the Fund delivered a strong net investment return of 9% per annum over the five years to 31 March 2019 (0.4% per annum ahead of LGPS peers). 2019/20 has been challenging for all investors with significant volatility in global investment markets as the dialogue on Brexit, geopolitical change and the Coronavirus pandemic took hold. The Fund was able to take defensive action to limit losses relative to market and peers and has seen good recovery of asset values over the first part of 2020/21. As we implement agreed change to the investment strategy during the year, measures to reduce investment risk will take a longer-term effect.



INTRODUCTION

OPENING STATEMENT FROM THE DIRECTOR OF PENSIONS

FUTURE PLANS

As always, there is more to do and dialogue with our governing bodies, employers, members and employees during 2019/20 has informed our *Service Plan 2020-2025*, approved by our Pensions Committee in March 2020. Within this we have identified four delivery themes most important to our stakeholders and three areas of priority to enable, focus on information management, risk management, efficiency and resourcing.



**Strong
governance**



**Customer
focused**



**Global
influence**



**Delivering for
local people**

The Fund is on-track to reach major landmarks in the digital transformation programme and we look forward to launching these during the year. We remain active in our support and engagement across the Local Government Pension Scheme and wider pensions industry, supporting both the development of policy impacting the LGPS and its implementation. As Director of Pensions, I was nominated Practitioner Representative to the Local Government Pension Scheme Scheme Advisory Board during the year and continue, along with colleagues across the Fund's senior management team and more widely, to support the work of the industry bodies, Pensions Lifetime and Savings Association (PLSA), LGA,

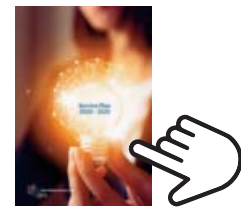
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The assessment of your organisation was an extremely positive experience. From the start of the assessment and throughout, people were positive and had good things to say about you as their employer and about how they enjoyed working for you. Staff said that it's 'great' to work for your organisation.

IIP assessor, February 2020

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INVESTORS IN PEOPLE™
We invest in people Gold



CIPFA and LAPFF and a wide range of practitioner groups supporting the work across the wider Scheme in relation to LGPS Frameworks, member communications, administration and systems, responsible investment and investment pooling.

2020/21 is already living up to expectations for a high level of discussion on Scheme change, with consultations recently issued to address the remedy for McCloud (reviewing potential age discrimination in the 2014 Scheme changes), implementation of a cap on member exit payments (including pension strain costs) and review of regulations governing LGPS valuation and funding arrangements. Alongside these, the outcomes of the Scheme Advisory Board Good Governance review are expected, together with updated guidance on investment strategy statements (including responsible investment policy) and a refreshed knowledge and skills framework. These changes, once confirmed, are likely to set the scene for Fund policy review, implementation of investment strategy and administration workload over the next two - three years and we will be reviewing the Service Plan during the year, to adapt as the impact of these changes is better understood.

We are now in the third year of our graduate and trainee recruitment programme and continue to see great progression both from these roles and through internal employee development to build and strengthen teams across the

Fund. Our recruitment will be ongoing throughout 2020/21, building targeted support to our pensions administration, data, finance and investment teams.

I would like to thank members of our Pensions Committee and Local Pensions Board for their ongoing engagement and support in developing the work of the Fund, our delivery partners and advisers for their support and challenge and all our Fund officers for their ongoing commitment and achievement in delivering an ever-improving and leading service for our employers and pension members.

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The Fund has worked hard to anticipate, communicate and react to changing circumstances and I'm proud of the agility we have shown in adapting our approach and delivering for our members and employers at this time.

Rachel Brothwood, Director of Pensions, speaking in relation to the Fund's Covid-19 response in July 2020

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Rachel Brothwood
Director of Pensions
Date: September 2020

FINANCIAL PERFORMANCE



Darshan Singh

Getting the most for our money is important to the Fund and we are pleased to report a cost of administration, oversight and governance per member of £26.75 for 2019/20 compared to the budget of £31.67.

This represents the successful deployment of financial controls and expense management across the Fund but also reflects delays in recruiting to vacant posts (including a number of specialist investment and actuarial roles) and the carry forward to next year of service development project costs budgeted for in 2019/20.

Financial Report

The primary functions of the Finance team are to make payments to pensioners and suppliers, to collect income due to the Fund and to account for all of the Fund's activities including its investments.

A key focus again this year has been on analysing the cost of investment management arrangements. Having been involved last year in the testing and development of industry-wide cost reporting templates, the Fund's outturn 2019/20 reflects the use of these new standard templates with improved cost capture, higher manager response rates and more detailed returns.

As at the end of March 2020, investment management costs were reported at £3.9 million (5%) over the amount estimated for budgeting purposes. Fees deducted at source are the key component of the

increase mainly attributable to the increased capture of transaction costs which include the costs of transitions and transactions undertaken by the external investment managers during the year.

Looking to the future, it will be important for the Fund to continue to demonstrate efficiency and cost-effectiveness to both members and employers. The Finance function supports this aim by ensuring that planning and forecasting is timely and complete, that management information is accurate and relevant and that all expenditure decisions are carefully scrutinised.

OUTTURN 2019/20: OPERATING BUDGETS

The following table sets out the Fund's outturn for 2019/20 compared to budget. The net position was an overspend of £1.7 million with the main reasons for this being:

- Increase in reported investment management fees of £3.8m primarily attributable to higher transactions costs resulting from transitions activity driven by strategic changes made by the Fund.
- LGPS Central reflecting some delay and carry forward of product development.
- Savings of £1.4m across staffing, service development, supplies and services and communications & computing costs. Employee costs were lower than expected due to recruitment delays and development costs being carried forward.

	2019/20 budget £'000	2019/20 actual £'000	2019/20 variance £'000
Employees	7,358	6,564	(794)
Premises	302	258	(44)
Transport	37	28	(9)
Other supplies and services	430	415	(15)
Service development	949	303	(646)
Professional fees	1,484	1,628	144
Communications and computing	585	459	(126)
Support services	634	565	69
Income	(584)	(428)	156
Sub total	11,195	9,792	(1,403)
External investment management costs	73,836	77,655	3,819
LGPS Central Limited charges	4,669	4,022	(647)
Total	89,700	91,469	1,769

FINANCIAL PERFORMANCE

LGPS CENTRAL LIMITED SET-UP COSTS

	Direct £'000	Indirect £'000	Total £'000	Cumulative £'000
Set-up costs:				
Recruitment	0	0	0	27
Procurement	0	0	0	2
Other support costs	0	0	0	284
Staff costs	0	0	0	142
Other costs	0	0	0	59
Share purchase costs	0	0	0	2,000
Total set-up costs	0	0	0	2,514

The pool was fully set up by 31 March 2018, therefore no set-up costs were incurred in the 2018-19 or 2019-20 financial year. Set-up costs totalling £502k were refunded to the Fund in February 2019.

OUTTURN 2019/20: COST-PER-MEMBER: WEST MIDLANDS PENSION FUND

Cost-per-member is one measure of cost-effectiveness commonly used across pension funds, albeit noting this does not capture the quality of service delivered. The table below sets out the cost-per-member in 2019/20 compared to budget and expenditure last year using the CIPFA standard categories. The measure kept under review as part of the Fund's service plan monitoring is the combined cost of administration, oversight and governance which was £26.75 per member in 2019/20.

	2018/19 actual	2019/20 budget	2019/20 actual
Total administration costs (£000)	5,068	7,710	6,067
Administration cost per member (£)	15.65	23.38	18.17
Total oversight and governance costs (£000)	2,415	2,735	2,867
Oversight and governance cost per member (£)	7.46	8.29	8.59
Total administration, oversight and governance cost per member (£)	23.11	31.67	26.75
Total investment management costs (£000)	79,911	78,505	82,535
Investment management cost as a percentage of net assets	0.51%	0.49%	0.54%

FINANCIAL PERFORMANCE

OUTTURN 2019/20: NET ASSETS OF THE WEST MIDLANDS PENSION FUND

The year-end net assets position for the Fund was £1,031.3 million below that forecast. The main reasons for this were:

- Investment markets experienced sharp falls in the last few weeks of the financial year due to the impact of the Covid-19 pandemic and lockdown of economies around the world and the valuation of the Fund's investments was some £1.4bn lower than had been forecast at end of March 2020. (It should be noted that post year end, investment markets made significant recoveries pushing valuations on listed investments back up to previous levels and the value of the Fund at 30 June 2020 was estimated at some £17.4bn.)
- The overall reported variance to forecasts was mitigated somewhat by the £491.7m net transfer-in of assets of the former WMITA Pension Fund.
- Improved cost transparency templates coupled with higher manager response rates and greater cost capture (particularly in relation to investment transaction costs) resulting in the capture of £3.8 million more than originally budgeted for investment management expenses. Within the overall management expenses this was offset by delayed expenditure of £2.0 million.

	2019/20 budget £m	2019/20 actual £m	2019/20 variance £m
Contributions and benefits			
Contributions receivable	350.0	353.2	3.2
Other income	16.0	14.3	(1.7)
Benefits payable	(610.0)	(637.8)	(27.8)
Other payments	-	(0.9)	(0.9)
Net transfers (in)/out	-	(8.8)	(8.8)
Net cost of pensions	(244.0)	(280.0)	(36.0)
Returns on investments			
Investment income	219.0	178.2	(40.8)
Changes in value of investments	720.0	(724.4)	(1,444.4)
Net return on investments	939.0	(546.2)	(1,485.2)
Management expenses *	(89.7)	(91.5)	(1.8)
Transfer in of WMITA Fund	-	491.7	491.7
Net increase/(decrease) in the Fund during the year	605.3	(426.0)	(1,031.3)
Net assets of the Fund at the beginning of the year	15,714.1	15,714.1	-
Net assets of the Fund at the end of the year	16,319.4	15,288.1	(1,031.3)

* Investment management expenses budget was increased by £7.9m during the year to reflect experience from the 2018/19 cost collection exercise. The figure shown above is the revised budget estimate.

INTRODUCTION

MANAGEMENT AND FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE

MEDIUM-TERM FORECASTS – OPERATING BUDGETS

The following tables set out the Fund's medium-term forecasts for its operating budgets and express these in terms of cost-per member. Over the medium term, the costs of administration, oversight and governance per member are forecast to remain broadly stable. The cost of investment management per member is forecast to grow; however, this solely reflects anticipated growth in the value of the Funds' assets.

	2020/21 budget £'000	2021/22 forecast £'000	2022/23 forecast £'000	2023/24 forecast £'000	2024/25 forecast £'000
Employees	9,066	9,154	9,337	9,524	9,714
Premises	300	307	313	319	325
Transport	38	39	40	41	42
Other supplies and services	437	446	455	464	473
Service development	1,127	1,127	1,127	1,127	1,127
Professional fees	1,452	1,481	1,511	1,541	1,572
Communications and computing	613	625	638	651	664
Support services	723	737	752	767	782
Income	(595)	(607)	(619)	(631)	(644)
Sub total	13,161	13,309	13,554	13,803	14,055
External investment management costs	77,970	81,557	85,309	89,233	93,338
LGPS Central Limited charges	4,949	5,246	5,661	5,895	6,054
Total	96,080	100,112	104,524	108,931	113,447

MEDIUM-TERM FORECASTS: COST-PER-MEMBER: WEST MIDLANDS PENSION FUND

	2020/21 budget	2021/22 forecast	2022/23 forecast	2023/24 forecast	2024/25 forecast
Total administration, oversight and governance costs (£000)	11,900	12,060	12,421	12,592	12,676
Cost of administration, oversight and governance per member (£)	34.91	34.48	34.61	34.19	33.54
Total investment management costs (£000)	84,180	88,052	92,103	96,339	100,771
As percentage of forecast net assets	0.51%	0.51%	0.52%	0.51%	0.51%

FINANCIAL PERFORMANCE

MEDIUM-TERM FORECASTS – NET ASSETS OF THE WEST MIDLANDS PENSION FUND

This table sets out forecasts for the Fund assets over the period to 2024/25.

	2019/20 actual £m	2020/21 forecast £m	2021/22 forecast £m	2022/23 forecast £m	2023/24 forecast £m	2024/25 forecast £m
Contributions and benefits						
Contributions receivable	353.2	1,046.0	265.0	285.0	571.0	592.0
Other income	14.3	17.0	17.0	17.0	17.0	16.0
Benefits payable	(637.8)	(577.0)	(585.0)	(633.0)	(646.0)	(659.0)
Other payments	(0.9)	-	-	-	-	-
Net transfers (in)/out	(8.8)	-	-	-	-	-
Net cost of pensions	(280.0)	486.0	(303.0)	(331.0)	(58.0)	(51.0)
Returns on investments						
Investment income	178.2	221.0	224.0	226.0	228.0	230.0
Changes in value of investments	(724.4)	746.0	773.0	800.0	829.0	859.0
Net return on investments	(546.2)	967.0	997.0	1,026	1,057.0	1,089.0
Management expenses	(91.5)	(96.0)	(100.0)	(105.0)	(109.0)	(113.0)
Transfer in of WMITA Fund	491.7	-	-	-	-	-
Net increase/(decrease) in the Fund during the year	(426.0)	1,357.0	594.0	590.0	890.0	925.0
Net assets of the Fund at the beginning of the year	15,714.1	15,288.1	16,645.1	17,239.1	17,829.1	18,719.1
Net assets of the Fund at the end of the year	15,288.1	16,645.1	17,239.1	17,829.1	18,719.1	19,644.1

FINANCIAL PERFORMANCE

PENSION OVERPAYMENTS

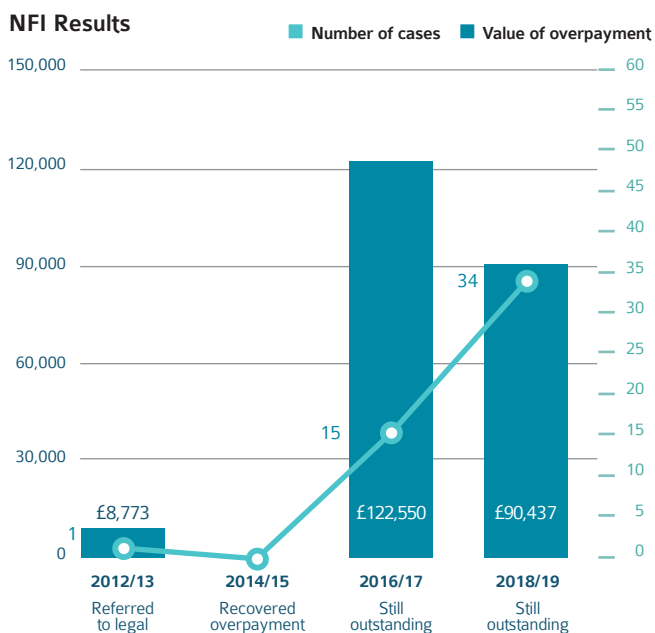
The Fund seeks to minimise and recover, where appropriate, any overpayments made to members. The majority of these cases arise from late notification of a member's death. The following table sets out overpayments for the last three years.

Year	Pension overpayment (£)	% of gross pension
2017/18	353,352.29	0.08
2018/19	321,039.40	0.07
2019/20	491,682.28	0.12

The Fund has seen an increase in 2019/20 as a result of enhanced and earlier identification of these cases through improved mortality screening.

MINIMISING FRAUD

The Fund participates in the National Fraud Initiative (NFI), which is a biennial process. The last initiative was undertaken in 2018/19 and the necessary recoveries arising from identified overpayments are being pursued. The results from previous years are shown in the following chart.



In addition to participating in the NFI, the Fund undertakes a regular programme of mortality screening to help identify possible unnotified deaths in a timely manner. Over 2019/20 the Fund has engaged the services of a third party provider (through the National LGPS Frameworks for Member Data Services) to provide an enhanced investigative mortality screening service to support in ensuring more reliable up to date records and assisting in the reduction of future overpayments.

TIMELINESS OF CONTRIBUTIONS

The receipt of contributions is monitored and reported to the Senior Management Team on a monthly basis in the form of a key performance indicator (KPI). The table below details the KPI during 2019/20; this shows the percentage of contributions received by the 19th of the following month in which contributions have been deducted from the employers' payroll (calculated on a cumulative basis).

Month	KPI % West Midlands Pension Fund
April 2019	99.99
May	99.78
June	98.85
July	98.78
August	98.62
September	96.44
October	97.22
November	97.24
December	97.62
January 2020	97.79
February	97.83
March	96.75

Darshan Singh
Head of Finance
Date: September 2020

RISK MANAGEMENT AND ASSURANCE

The West Midlands Pension Fund is committed to developing and implementing a risk management and assurance framework which provides a systematic and consistent approach to the managements of risks which have the ability to threaten the delivery of the Fund's strategic objectives.

RISK MANAGEMENT

The Fund has an operational risk policy that defines a coherent and consistent approach to its operational risk management. The Fund's ongoing development of the strategic risk register ensures that we have a comprehensive fund wide methodology that uses a common risk understanding throughout all service areas enabling a consistent approach by risk owners and controllers at all levels.

This framework involves:

- defining the Fund's operational risk appetite;
- defining, identifying and categorising the operational risks within the Fund;
- defining the methodology used to measure and assess the significance of the identified risk;
- assigning responsibility to officers owning the mitigating actions implemented to reduce the risk exposure to an acceptable risk appetite;
- assigning responsibility for monitoring the effects of the mitigation; and
- an established reporting and escalating mechanism for risk issues to all levels in order to ensure transparency and aid the decision-making process.

The Fund promotes a culture of risk management throughout the organisation and is supported in its risk oversight by senior management of the Fund. The Funds risk management supports innovative solutions as it carefully considers benefits, alongside the risks, which may occur, and the essential steps taken to effectively manage those risks.

A key element of risk management is the structured delegation of powers from the administering authority to the Pensions Committee and then to the Director of Pensions, supported by senior officers.

The risk register is regularly monitored by the Director of Pensions and the Senior Management Team to ensure new risks have been identified and mitigating controls remain appropriate. The risk register is overseen by the administering authority's internal audit who issue recommendations to the Fund, providing an additional layer of assurance for the risk oversight. The methodology used for the assessment and mitigation of risks has been endorsed by the Chartered Institute of Public Finance & Accountancy (CIPFA).

The Senior Management Team are responsible for monitoring and advising the Pension Committee on current risk exposures, ensuring future risk strategies are in place, maintaining a business-wide risk culture.

THREE LINES OF DEFENCE MODEL

During the year the Fund completed a comprehensive review of its Three Lines of Defence model further embedding business understanding of roles and responsibilities within the risk management process.

The Three Lines of Defence model is used to demonstrate the relationship between the different functions within an organisation and its approach to assurance, managing risk and controls.

- The first line of defence are those functions that operate controls in order to mitigate risks so that the organisation can achieve its objectives.
- The second line includes internal monitoring and assurance functions that identify risks and issues to assess the effectiveness of controls.
- The third line of defence is independent assurance such as internal and external audit, awards and accreditations.



RISK MANAGEMENT AND ASSURANCE

The benefits of this model are that it provides a clear view of the Fund’s approach to assurance and demonstrates how individuals within the organisation fit into that approach. The Three Lines of Defence can be used to highlight gaps in assurance and identify areas of focus when developing assurance frameworks. To make the most of the model all three lines need to work together effectively, i.e. the first and second lines work to continuously improve controls, the third line is guided by the first and second line to identify areas of focus and recommendations made by the third line are implemented by the first and second lines.

Through embedding a culture of

YOU (Fund employees completing day-to-day activities and processes to achieve objectives, working with the Second Line of Defence to continually improve controls),

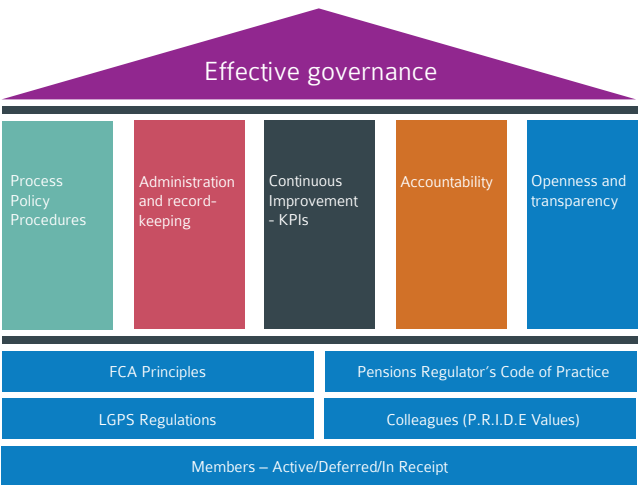
WE (Governance and oversight functions providing assurance over existing controls and working with the First Line to continually improve and strengthen controls),

US (Our achievements, independent assurance, accreditations and external assessments demonstrating the effectiveness of the Fund’s controls),

The Fund has instilled the risk management as working practice across all service areas driven by the goals and ambitions of our Service Plan.

ASSURANCE

The Fund created its ‘House of Governance’ to provide assurance to members on the management and administration of their pension benefits. With the Foundations built on regulation and statutory guidance, the Pillars strengthening practices and processes through administration and record keeping, continuous improvement in KPIs, accountability and openness and transparency, and the Roof of Assurance borne out of the Fund’s Three Lines of Defence.



Horizon scanning enables the Fund to identify, evaluate and manage changes in the risk environment, preferably before they manifest as a risk or become a threat to the Fund. Additionally, horizon scanning can identify positive areas for the Fund to develop its business and services, taking opportunities where these arise. The Fund works collaboratively with stakeholders and statutory bodies to horizon scan and be attentive and responsive to change. By implementing mechanisms to horizon scan, the Fund is able to respond to changes or emerging issues in a co-ordinated manner. Issues identified through horizon scanning link into and inform the business planning process and consider ongoing risks to services. Staff are encouraged to bring to the attention of their managers potential issues identified in their areas which may impact on the Fund delivering on its objectives.

Components of Internal Control



Through effective risk management, the Fund has foresight of potential challenges and impacts to its service delivery, enabling the Fund to identify, evaluate and manage changes in the risk environment. Through our engagement with stakeholders, we sit at the forefront of change. By implementing mechanisms to horizon scan, the Fund is able to respond to changes or emerging issues in a co-ordinated manner with our industry partners building them into our Roof of Assurance.

All aspects of which are openly reported through the publications and reports available on the Fund’s website.

RISK MANAGEMENT AND ASSURANCE

The Fund's key risks identified as part of the risk management process, together with actions to mitigate them, are detailed in the table below.

O - Operational R - Regulatory
F - Financial Rep - Reputational

Theme	Risk	Relevant strategy
Operational	1 Resourcing and retention	<p>Noting the challenge across the LGPS to secure highly-skilled individuals with a range of specialist pensions, investment and financial risk management expertise, the Fund has developed its people development strategy and structured training programme.</p> <p>Having the right people with the right skills, knowledge and behaviour is fundamental to the work of the Fund. The Fund is able to offer attractive opportunities and development in the context of a challenging and changing environment.</p> <p>Ensuring people are confident in their roles leads to improved efficiency and productivity in working practice and promotes an inclusive environment where collectively and individually our team members contribute to the success of the Fund, as well as finding new ways to achieve personal development and job satisfaction. The Fund's own training policy and appraisal programme supports building experience, skills and professional qualifications.</p> <p>The Fund works with its providers to shape and develop their services ensuring they are fit for purpose in responding to change.</p> <p>Through effective horizon scanning, the Fund is able to identify and prioritise key service developments utilising expertise built both in house and with our partners, to ensure effective monitoring of controls and ensure projects are managed to deliver successful outcomes.</p>
	2 Capacity to deliver services	
	3 High volume of service change and development with reliance on key service providers	
	4 Loss of key knowledge and skills	
	5 Increasing diversity in Fund members and employers	
Financial	6 Adequate monitoring of funding strategy and employer covenant strength	<p>The Fund has a diversified investment portfolio across geographical and sector investments and monitors employer covenant strength and funding development to enable early identification of potential strains on contribution rates.</p> <p>The Fund aims to ensure its investment portfolio, funding strategy and employer covenant framework are resilient to climate-related risks over the short, medium and long term. This includes the risk of failing to identify climate-related investment opportunities.</p> <p>For an effective first line of defence, the Fund integrates climate change into investment processes including selection and due diligence of assets.</p> <p>The Fund incorporates climate risk identification and analysis into its covenant and funding processes. This is monitored and used to inform strategy reviews over the medium and longer term.</p> <p>In collaboration with partner funds, the Fund has developed transition planning and an assurance framework, working collaboratively with LGPS Central Limited to monitor the delivery of asset pooling.</p>
	7 Volatility in investment markets (including climate risk)	
	8 Ongoing development and delivery of investment pooling	

RISK MANAGEMENT AND ASSURANCE

Theme	Risk	Relevant strategy
Regulatory	9 Regulatory change and its ongoing impact on the Fund's ability to administer pension benefits and implement investment strategy	<p>The Fund keeps abreast of developments, participating in consultation and calls for evidence and collaborations with other LGPS funds to inform debate and respond to change.</p> <p>A number of regulatory reforms are currently emerging which stand to materially impact Fund administration and implementation of investment strategy.</p> <p>Through industry engagement and horizon scanning, areas of concern are captured and monitored alongside the Fund's strategic risk register. Independent governance and benchmarking reviews have informed and aided further development of the Fund's risk and assurance framework, with proactive and voluntary engagement with The Pensions Regulator helping to build a common understanding of emerging expectations and practice in governing and administering the LGPS.</p> <p>The Fund has developed its governance approach and compliance statement noting preliminary findings from the Scheme Advisory Board's Good Governance review and proactively engages in wider industry policy and standards through the Pension and Lifetime Savings Association and Local Authority Pension Fund Forum. Responsible stewardship of Fund assets and informed Customer Engagement strategy and Service planning assist in ensuring the Fund meets expectations set by our regulators, members and employers.</p>
	10 Greater oversight from governing bodies with, as yet, unknown reporting requirements	
Reputational	11 Ability to respond to our customers' changing demands in the way they engage	<p>The Fund continues to grow as an organisation, not just in member and employer numbers but also in the diversity of its customer base.</p> <p>With increasing demands for services, together with an evolving Scheme and regulatory framework mean that working practices and approach will continue to evolve to support good governance and service delivery.</p>

INTRODUCTION

PENSIONS ADMINISTRATION

OPERATIONS AND PENSIONS SERVICES



Simon Taylor



Amy Regler

BACKGROUND

The West Midlands Pension Fund's ("the Fund") administration function covers a wide range of aspects from processing of member benefits, maintenance of our administration system to include regulatory updates, through to onboarding and continual support of employers and engagement with our customers. The dedicated teams are constantly evolving to service the needs of the second largest LGPS membership base and one of the largest LGPS employer bases in England and Wales.

Employees of all local and joint authorities and many other public bodies in the West Midlands region have automatic access to the LGPS via the Fund (unless eligible for an alternative public sector scheme) and a wide range of other bodies providing a public service or undertaking a contract are also eligible to join the Fund via a resolution or admission agreement.

The administration function is accountable to the Pensions Committee, the Pensions Board, participating employers and Scheme members in terms of overall effectiveness and value for money.

The LGPS is a contracted-out defined benefit scheme with benefits defined under statutory regulations (LGPS Regulations) which are not affected by the Fund's investment performance or market conditions.

2019/20 has been a busy year for the Pension Administration teams with the Scheme and Fund experiencing some significant changes and challenges over the year, not least ensuring the continuation of our back-office processing and support of our customers on the front-line, as a result of the Covid-19 outbreak towards the end of the Scheme-year.

VALUE-FOR-MONEY STATEMENT

To ensure the effectiveness of the administration services, the Fund is monitored through internal and external audits and, as mentioned later in this section, in 2019/20 engaged with an additional third party organisation to review the efficiency of the service. Furthermore, to support performance review, the Fund participates in benchmarking exercises with other local government pension funds which provides a comparison of key performance indicators overtime against national averages.

In 2019/20, the Fund extended benchmarking to cover a broader range of service functions and comparison with other public and private pension funds. This highlighted that the Fund's current running costs were below the peer average with a wider range of services provided to members and employers. The Fund continues to invest in resources and technology systems to continue to develop an efficient delivery platform and provide value for money for our stakeholders.

KEY ACTIVITIES AND PERFORMANCE

Benefit Operations

Overall for 2019/20, across the Operations teams the Fund has seen a stabilisation in the number of processes commenced, and a 4% increase in the number of processes completed processes compared to the previous year 2018/19. This continued high volume in casework represents a combination of continuing work with employers to target historical data quality issues and a focus on targeting longstanding processes.

The Fund has a suite of operational KPIs which look at the timeliness we provide information to members and processing their payments. Overall, a cumulative improved performance across the KPIs can be seen from the previous years. A summary of the cumulative performance against these targets and the administrator casework is outlined on pages 46 and 47.

MANAGEMENT OF COVID-19

At the end of 2019/20 the coronavirus pandemic meant that all employees moved to working wholly from home and introduced changes to systems and processes to maintain service delivery.

The Fund took steps to ensure it minimised the effect of Covid-19 on the delivery of its priority administrative services. These included:

- paying members' benefits
- retirement processing
- bereavement services, as well as any administrative functions required to support these
- any processes needed to ensure benefits are accurate

These steps included amending existing operating procedures to transition services to enable increased electronic working while ensuring vigilance for potential increases in fraud and pension scams.

In line with TPR and PASA guidance, key changes include:

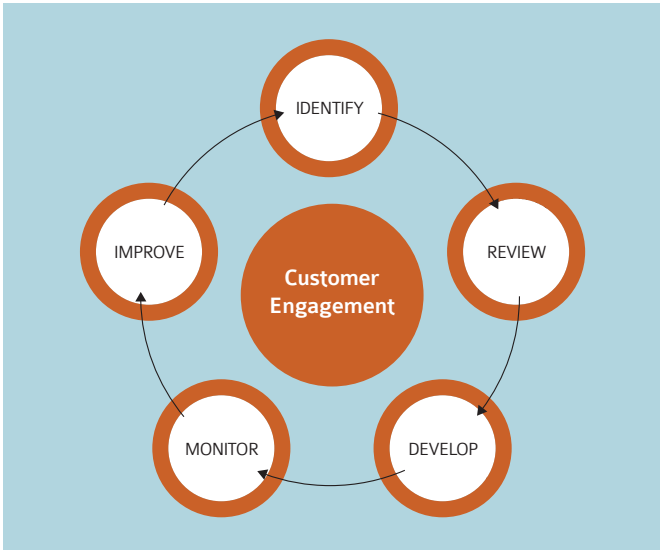
- **Acceptance of electronic signatures**
The Fund's preference is to continue to receive wet signatures where possible, but in recognition that some members may not have the facility to provide wet signatures at this time, the Fund has adapted a number of forms to enable these to be completed electronically, including the signature. Additional steps to verify the member when using electronic signatures are being undertaken. Guidance has been produced and is available for members.
- **Acceptance of copies of certified documents**
All of the above processes are being developed with the Fund's Governance Compliance Team providing oversight and assurance in the amended processes for the protection of members.

MEMBER COMMUNICATIONS

In line with our *Customer Engagement Strategy*, we seek to place our customers at the heart of everything we do, ensuring the Fund drives continuous improvement and develops working practices, systems and processes which are informed and prioritised according to the needs of those customers. Ultimately, engaging with our customers helps the Fund to understand customer feedback, review and monitor service effectiveness, analyse performance, and develop and deliver a service that is focused on the requirements of our customers.

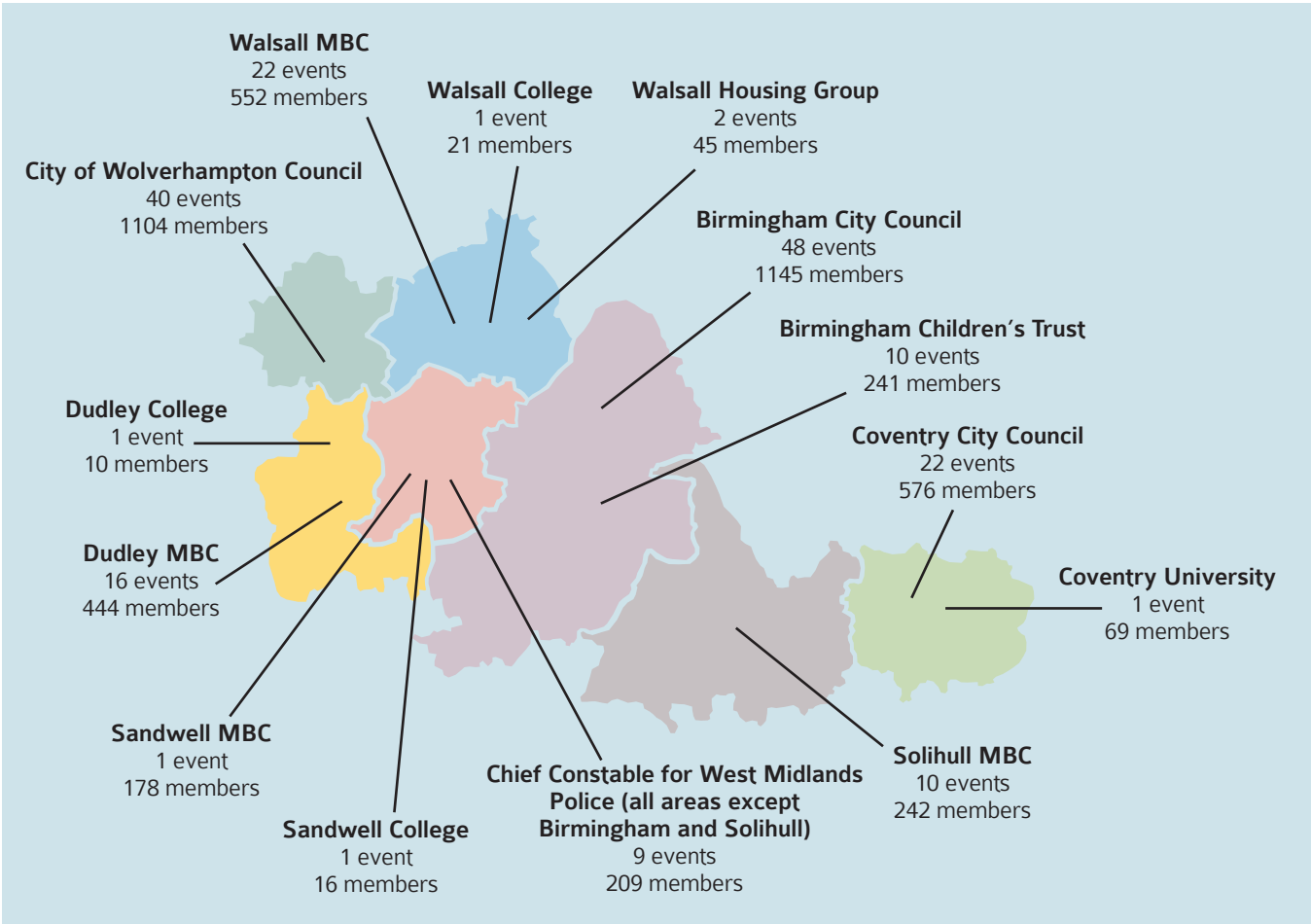
Our Customer Service team is the first port of call for the majority of stakeholders, including our member helpline, with over 70,000 calls during 2019/20, dedicated email inbox, and website recording over 1.1 million hits during the year.

The Fund’s dedicated Member Services team are committed to supporting our employers by providing information to members on a wide range of pension matters at the members’ workplace, offering a variety of ways to engage with and support our members. These include face-to-face consultations, My Pensions Portal drop-in sessions and a suite of presentations which mirror a member’s customer journey from introduction to the LGPS, all the way to supporting members with pre-retirement. More recently, the Member Services team has developed and rolled-out a suite of webinars and published



new ‘e-Book’ information, such as a five-point guide to retirement. During the course of 2019/20 the Fund delivered events across the West Midlands region to over 8,700 members as outlined below:

Coverage 2019/20: Summary of Key Events 2019/20 and Attendance Levels



INTRODUCTION

PENSIONS ADMINISTRATION

OPERATIONS AND PENSIONS SERVICES

As referenced above, the onset of the Covid-19 outbreak in early 2020 required businesses across the country to adapt with many facing unprecedented challenges and the Fund was no different with the requirement to develop new and innovative methods for engagement. This requirement was primarily driven by the inability to continue to deliver face-to-face engagement, which has traditionally proved popular with our membership, but also to focus on our key priorities and to reflect the changing dynamics of wider customer demand.

The focus for the Fund's engagement with our members, both preparing for, and following the introduction of lockdown measures on 23rd March 2020 was, and continues to be, one of assurance. We have issued newsletters and messaging in pensioner payslips to reinforce that members' main scheme pension benefits are safe and unaffected by recent investment market falls. In addition, bespoke communication was developed for our additional voluntary contribution (AVC) members to highlight the possible impact on their AVC funds and with useful guidance and links to further information and support.

The Fund has maintained front-line services with the same opening times for our dedicated member helpline, helpful recorded messages placed on phone lines, and implementation of online

contact forms to enable members an alternative means to access our customer services team. In addition, one-to-one meetings, which were formerly held face-to-face have, now been facilitated via telephone calls with follow-up support available.

Frequently asked questions were developed and placed on our website, with these having been evolved to reflect changes in associated guidance and the nature of queries received via our front-facing teams as we continued to provide support throughout the lockdown period. Finally, we have raised awareness of the potential for heightened scams activity, which has been more widely reported within the press, with bulk emails sent across the membership.

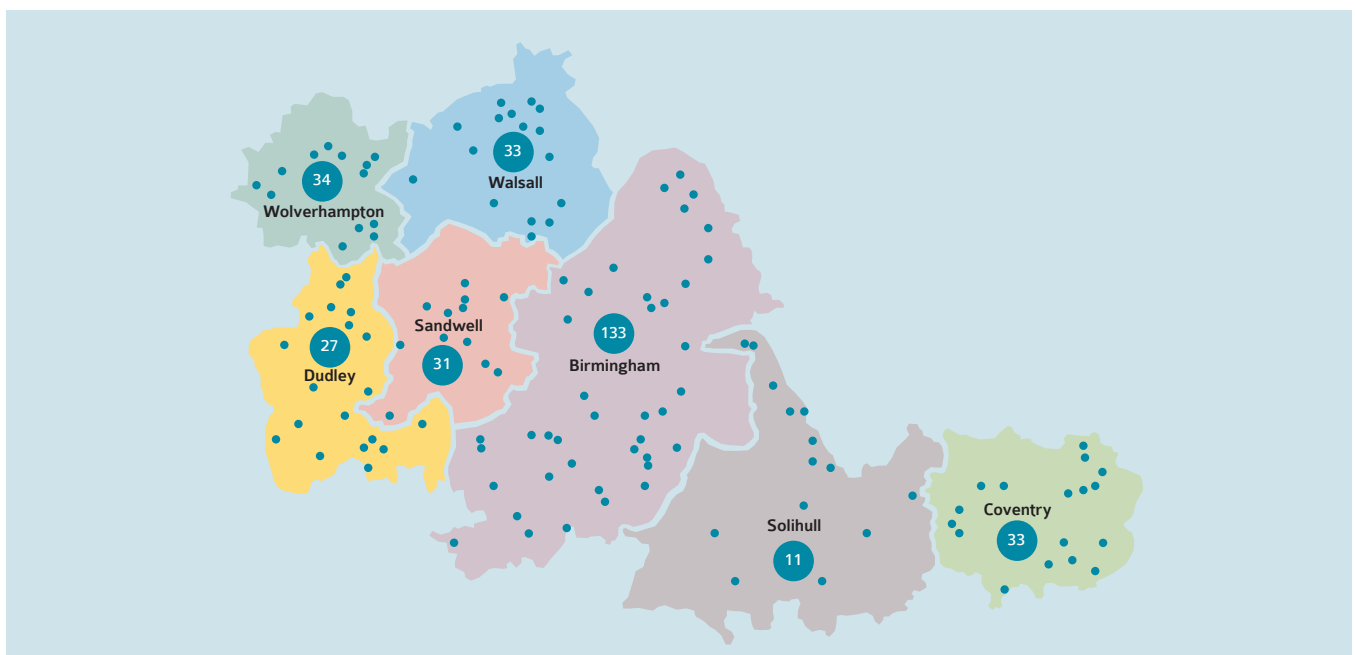
EMPLOYER ENGAGEMENT AND COMMUNICATIONS

The Fund holds a biannual employer event each year, traditionally in early summer and early winter, to which all employers are invited and afforded the opportunity to discuss topical issues and engage with the Fund on a variety of matters. This event continues to be popular, and also allows the Fund to demonstrate new developments as well as enhancing service delivery based on the feedback received from participants.

The Fund continues to review performance and meetings and associated engagement was carried out across our employer base and seeks to address areas of underperformance relative to standards set in the *Pension Administration Strategy*. This process helps to identify issues early and monitor resolution, as well as providing for greater support where required.

We continue to deliver and are developing our employer coaching sessions to support new employers, those with staff changes or a need for refresher training. These sessions have been delivered face-to-face and via webinars and videos, with the aim of increasing understanding of employer responsibilities and how the Fund and employers work together to deliver benefits to members. Our employer peer group has provided valuable feedback during the year and assisted in the development and roll-out of further initiatives and service improvements. The Fund also provides a quarterly employer briefing note, along with bespoke issues, to update our employers with important information and topical issues, as well as special briefing notes on bespoke topics. In total, the Fund engaged with 319 employers directly (via a face-to-face meeting or scheduled teleconference call) during 2019/20 as summarised in the coverage chart below.

Coverage of Direct Engagement for 2019/20: Summary of Engagement Activity 2019/20
(concentration represented by size of dot)



INTRODUCTION

PENSIONS ADMINISTRATION

OPERATIONS AND PENSIONS SERVICES

As with member engagement, the Fund's employer engagement during the latter part of the year focussed primarily on Covid-19 related activity. A business continuity update was provided to all of our employers to give assurance on the service levels of the Fund, but also the action that has been taken, and an employer resilience survey issued to better understand employer capacity and issues. Similarly, frequently asked questions were developed and continually evolved for our employers.

Customer Satisfaction

The Fund encourages feedback via a range of different channels, such as surveys issued following member events and telephone calls and general satisfaction surveys placed on our website. The table below provides a high-level summary of compliments and complaints received from our members during 2019/20, many of which were able to be translated into service improvements going forward.

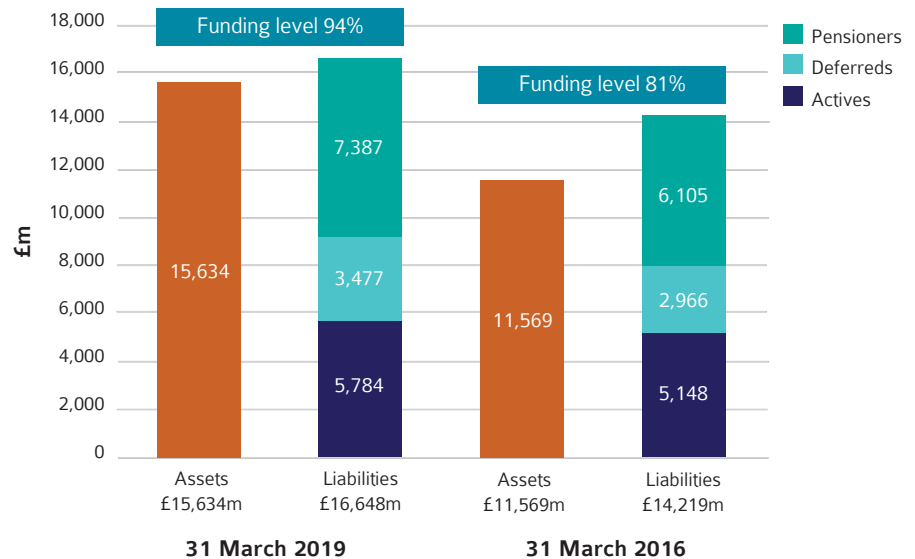
234	148	102
Compliments received	Complaints received	Complaints upheld

EMPLOYER ENGAGEMENT AND COMMUNICATIONS

2019 Actuarial Valuation

With 2019/20 being actuarial valuation year, we held an increased number of employer events and meetings to introduce and consult on the valuation process and outcomes. This engagement took the form of group meetings in June and November of 2019, to which all employers were invited and individual employer discussions. Building on our employer covenant framework, which was integrated with the funding strategy as part of the 2016 valuation, we engaged with a number of employers to better understand their financial and funding pressures and to further mitigate the associated risk exposure of the Fund. The Fund saw a 13% rise in funding level from 2016 to 2019 as outlined below. Funding development will continue to be kept under review over the period to the next review in 2022.

Actuarial Valuation – Triennial Funding Assessment



Employer Health Check

In May/June of 2019, the Fund carried out an employer 'health check' to align to our Pensions Administration Strategy and with the aim of continually improving the information and data we hold. This project had a number of associated benefits from enhancing data quality to providing employers with an opportunity to sense check data, which was particularly important during a valuation year.

Digital Transformation

The aim of the programme is to support the Fund to transform our business areas through the use of information and technology to drive business efficiencies and cost savings whilst improving the service we provide to our members and employers. The Fund works closely with its pension administration system provider, and a number of projects progressing in 2019/20, in particular:

- **New Employer Hub**

The platform for exchanging data with our employers is the employer portal, which is key to ensuring efficient and secure exchange. The development work undertaken in 2019/20 aims to improve the reporting functionality, user experience through design, availability of performance monitoring information and enable earlier issue resolution. Work will continue into 2020/21, testing and piloting the new online facility with employers, before a launch later in the year.

- **Deferred Retirement Estimates - Online**

April 2020, saw the launch of functionality which allows deferred members to obtain retirement estimates online. Following the change in regulation, deferred members over the age of 55 now have the right to access their pension benefits (albeit reduced if taken before normal pension age). The release of this functionality enables members to run pension benefit estimates at different dates, assisting in their planning for retirement and enabling quick access to indicative pension information. The Fund has already seen a significant number of members utilise this facility since its launch and will continue to promote more widely to members in 2020/21, and also further develop their ability to take the estimate forward to a formal quote and selection of their options.

GMP Rectification

Having progressed the reconciliation element of guaranteed minimum pension (GMP) records with HMRC, the Fund has moved onto the rectification phase of project. This phase is expected to be completed by December 2020.

Tracing Services

The Fund uses a variety of data cleansing services to support with tracing and checking the accuracy of the data held for our members. In 2019/20, the Fund reviewed its current procedure and

INTRODUCTION

PENSIONS ADMINISTRATION

OPERATIONS AND PENSIONS SERVICES

provider for mortality and address verification. For deferred members, no longer in active employment with a Fund employer, the Fund is reliant on member notification of changes in address and contact information which enable the Fund to remain in dialogue. Member self-service through the portal enables the update of personal details but returned post and gaps in portal uptake indicate a higher risk of loss of member contact. To assist in the review and update of data held, the Fund has developed a deferred member tracing programme targeting checks on member contact information ahead of their anticipated retirement date, with the aim of reducing data queries and confirming contact at retirement. This work supports the Fund in improving a key element of the TPR's data quality requirements for common data, and ensures the Fund not only holds an address but verifies the accuracy of the data held by the Fund.

Working in Partnership

Wider Collaboration

During 2019/20 the Fund has worked closely with a number of national groups to drive improvements to administrative procedures, share best practice and develop initiatives for the wider LGPS. Examples include the following:

- Working with the LGPS Scheme Advisory Board (SAB) on administration standards and potential options for Tier 3 employers (those without central or local government backing).
- Developing communications for the wider LGPS in conjunction with the Local Government Association (LGA) to include the revision of annual benefit statements, production of member videos and a pre-retirement booklet, and the creation of frequently asked questions for use nationally in the wake of the Covid-19 outbreak.
- Completion and input into various surveys undertaken nationally surrounding the impact and actions taken by pension funds aligned to the Covid-19 outbreak.
- Following the statutory direction order issued by the Ministry for Housing, Communities and Local Government (MHCLG), we have worked with the respective employers and WMCA on the proposals and implementation for the merger of the former West Midlands Integrated Transport Authority (WMITA) Pension Fund into that of the Main Fund, effective 1 April 2019.
- Representing the Metropolitan Group of LGPS Funds on the LGPS SAB McCloud remedy implementation group.
- Engagement with the Chartered Institute of Public Finance (CIPFA) and scheme auditors on annual accounting standards for participating employers.
- As a longstanding founder member of the LGPS National Frameworks, we have supported in the rolling-out of a number of new frameworks, including the Pension Administration Software Framework in 2019/20. The Frameworks enable more efficient and effective procurement within the LGPS.
- Work with other LGPS funds to increase consistency and share best practice.

Simon Taylor

Head of Pensions

Amy Regler

Head of Operations

Date: July 2020

INTRODUCTION

GOVERNANCE ARRANGEMENTS

GOVERNANCE COMPLIANCE STATEMENT 2020



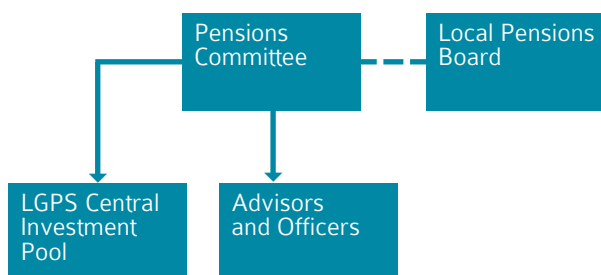
Rachel Howe

COMPLIANCE AND BEST PRACTICE

The Fund is required to publish a compliance statement under Regulation 73A of the Local Government Pension Scheme Regulations 1997 (as amended) and review that statement on an ongoing basis under Regulation 31 of the 2008 Regulations. Under Regulation 31 (3) (c) there is a requirement to measure the Fund's governance arrangements against a number of standards set out within guidance issued by the Ministry for Housing, Communities and Local Government (MHCLG). In accordance with this requirement, what follows is the Fund's assessment of its compliance with the standards as outlined.

COMPLIANCE AND BEST PRACTICE

Principle A requires funds to establish a formal committee structure; to comply with this, the Fund's governance arrangements have four key elements:



PENSIONS COMMITTEE

The management and administration of benefits and strategic investment strategy is fundamentally the responsibility of the Pensions Committee established by the City of Wolverhampton Council (the administering authority) which has representation from the seven West Midlands metropolitan district councils and local trade unions.

The Committee administers the scheme in accordance with the regulations and best practice and determines the strategic management of the assets based upon the professional advice it receives and in consideration of its overriding duty to pay members' benefits when they fall due.

The roles of the members and the Committee are as follows:

To exercise all those functions of City of Wolverhampton Council which are required to be performed by its role as Administering Authority for the Local Government Pension Scheme under the Public Services Pensions Act 2013 (and any associated legislation) adhering to the principles required by Statutory Guidance and the Code of Practice issued by The Pensions Regulator.

The key duties in discharging this role are:

- 1 To act as Pension Scheme Manager for the administering authority in the management and administration of the Local Government Pension Scheme for the West Midlands.
- 2 To be responsible for compliance with legislation and best practice
- 3 To undertake training as outlined in the Fund's Pensions Committee and Pensions Board Training Policy.
- 4 To review and agree the Investment Strategy Statement, Responsible Investment Statement and Funding Strategy Statement for the Fund.
- 5 To monitor funding and investment activity and the performance of the Fund's investments;
- 6 To produce and maintain an Administering Authority Statement, Pension Administration Strategy, Governance Compliance Statement, Communications Statements and publish a Pension Fund Annual Report;
- 7 To determine employer admission policy and agreements;
- 8 To appoint and monitor an investment pool operator to manage the assets of the Fund;
- 9 To appoint Committee advisors;
- 10 To determine detailed management budgets; and the Fund's Service Plan
- 11 To administer all aspects of the West Midlands Pension Fund on behalf of City of Wolverhampton Council.

Further information about the role of the Pensions Committee is available in the Pensions Committee Terms of Reference which can be found in the City of Wolverhampton Council Constitution.

The Director of Pensions oversees the implementation of Fund policy and the management of the day-to-day operational functions through the Fund's service areas. The Committee are advised and supported by the Chief Executive, Director of Pensions, Assistant Director, Section 151 Officer, Monitoring Officer, Heads of Service and Senior Finance and Legal Officers from the City of Wolverhampton Council.

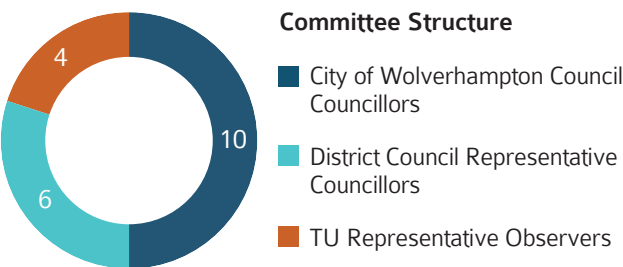
INTRODUCTION

GOVERNANCE ARRANGEMENTS

GOVERNANCE COMPLIANCE STATEMENT 2020

TRADE UNION REPRESENTATION

The Fund invites trade unions to sit on the Pensions Committee as observers on behalf of our pension scheme members. Four representatives are invited from the three main trade unions as recognised by the City of Wolverhampton Council. The trade union observers are invited to sit and debate matters at committee meetings and receive the same access to papers, meetings and training opportunities as other Committee members.



LOCAL PENSIONS BOARD

As required by the Public Service Pensions Act 2013, the City of Wolverhampton Council as administering authority established the Local Pensions Board to assist in the good governance of the scheme by ensuring the Fund’s compliance with legislation and statutory guidance.

Consisting of six member and six employer representatives, two of which are Wolverhampton elected councillors. The Board publishes an annual workplan which is available on the Fund’s website. The work plan focusses on the Fund’s governance and administration processes, monitoring the Fund’s compliance with statutory and regulatory guidance and working with officers to ensure the highest standards are met. The workplan covers the broad range of functions undertaken by the Fund including data management, financial management, funding policy and implementation of investment strategy. A report on the work of the Pensions Board is provided to the Pensions Committee on an annual basis.

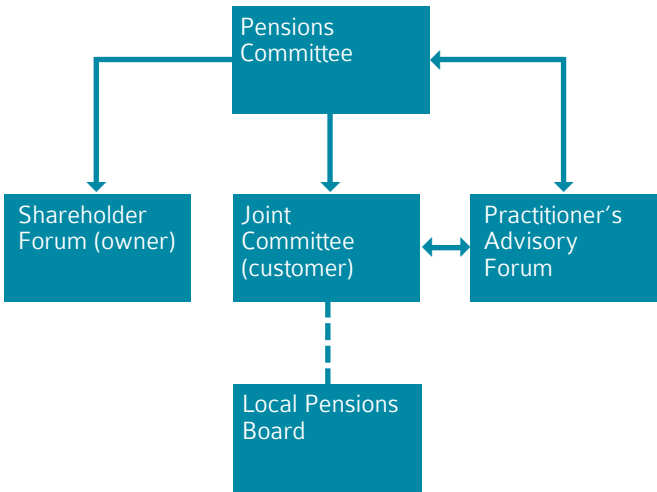
Both the Pensions Board and Pensions Committee operate as Section 101 delegated committees (as defined in the 1972 Local Government Act). Therefore, information that is presented to the Committee, is available to members of the Board and vice-versa. The establishment of the Pensions Board as a S101 committee reflects compliance with Principle G of statutory guidance.

INVESTMENT POOLING

Following the launch of the FCA-regulated pool company, LGPS Central Limited on 1 April 2018, West Midlands Pension Fund together with eight partner pension funds across the LGPS Central Investment Pool, continue to work with the company to further develop the required ‘business as usual’ governance oversight and monitoring arrangements.

The Fund holds two distinct roles within the Central Investment Pool: the first is a shareholder and owner of the company; the second as customer of the company investing in the products on offer.

The Company’s investment performance and capability is overseen by the eight Partner Funds on a day to day basis by the Senior Fund Officers via the Practitioner’s Advisory Forum (PAF) and on a bi-annual basis by the Joint Committee, which is constituted of representatives from each of the Partner Funds. In line with its adopted Terms of Reference, the Joint Committee invites a trade union representative to participate in the meetings.



Company performance is overseen by shareholder representatives from the eight administering authorities of the Partner Funds both on an ongoing basis and formally once a year at its AGM.

The Partner Funds and the Company work collaboratively to build the investment capabilities required to ensure that the Partner Funds are able to efficiently and effectively deliver their strategic asset allocations in line with regulation and guiding principles. To hold the Company to account and to meet FCA requirements for a regulated asset manager. The governance structure is designed to ensure sufficient independence between Partner Funds and the Company during implementation and ongoing management of the Investment Sub-Funds. Additionally, the Local Pensions Board plays a role in assisting with the governance and oversight of investment pooling and reporting, further improving accountability and transparency for LGPS scheme employers and members.

INTRODUCTION

GOVERNANCE ARRANGEMENTS

GOVERNANCE COMPLIANCE STATEMENT 2020

ADVISORS AND OFFICERS

Pension investment, funding and administration are complex areas and the Fund recognises the need for its Committee and Pensions Board members to receive appropriate and timely training and advice. Against this background, its principal advisors are as follows:

- i High level advice on general management from the Chief Executive of the City of Wolverhampton Council (also Head of Paid Service).
- ii Legal and general administrative advice and management from the Monitoring Officer of the City of Wolverhampton Council.
- iii Financial and technical advice from the Director of Pensions who is the lead senior support officer and has direct responsibility for implementing funding and investment strategy; budget and service delivery; risk management and compliance through a team of professionally qualified staff and the investment pool LGPS Central.
- v Senior pensions officers are responsible for employer relationships, data quality, finance, operations, pensions benefits administration and communications.
- vi The Council's Director of Finance is also the Section 151 Officer for the Fund.
- vii Independent assurance on the Fund's risk management, governance and internal controls processes from the Council's Internal Audit function.
- viii A range of external specialist advisors are appointed, covering areas such as:
 - Investment strategy and asset allocation
 - Funding strategy and employer covenant review
 - Alternative security arrangements and specialist agreements
 - Corporate governance and responsible investment issues
 - Legal advisors where specialist knowledge and technical expertise is required

Details of the Fund's advisers are published in the Fund's annual report and accounts.

FUND MISSION STATEMENT, OBJECTIVES AND PRIORITIES

Each year, through the adoption of the five-year Service Plan, the Pensions Committee determine corporate priorities for the Fund. The Service Plan outlines how those priorities will be met through detailed corporate priorities and how progress will be monitored through the Fund's performance framework.

Pensions Committee hold the responsibility of monitoring the performance framework through regular reporting provided by Fund officers on areas such as key performance indicators and corporate priority monitoring. The Fund's Service Plan is published on its website. In line with ensuring the achievement of Fund objectives, the Pensions Committee also have oversight of the Fund's management of risk. The Fund sets out its approach to risk management within the Internal Controls Framework which can also be found on the Fund's website.

ROLE OF COUNCIL MEMBERS

The City of Wolverhampton Council is responsible for administering and discharging the functions as administering authority for the West Midlands Pension Fund.

In addition to discharging the administration of benefits, recording of contributions, etc, the Council is also responsible for the investment of the employer and member contributions. In accordance with Principle B of the statutory guidance, because the Fund covers the majority of local government employees in the West Midlands, as well as many admitted bodies, representatives from all seven metropolitan district councils are invited to serve on the Committee. There is also active representation on behalf of the employees and pensioners from trade union representatives.

When considering the advice and determining investment policy, Committee members need to understand the special obligations placed upon them. These responsibilities are additional to those carried out as an elected member of a local authority. Duties include managing the Fund in accordance with the regulations and to do so prudently and impartially on behalf of all the beneficiaries – in many ways acting as quasi-Trustees. This sometimes means that they may have to take different decisions to those which would be made in other political circumstances.

The overriding consideration for them as decision makers, however, has to be for the benefit of the Pension Fund members and its contributors and beneficiaries. The advice of the Fund's advisors is very important in discharging this responsibility. Pension Committee Members can delegate some of their powers but not the responsibilities that go with them. They are not expected to be qualified to give investment advice or to initiate investment policy, but must be aware of what is proposed by their advisors and be sure that it is relevant to the needs of the Fund and within their powers.

In practice, Pensions Committee Members typically discharge their duty by ensuring that they have a systematic and clear way of agreeing their strategy and policies with the advisors they employ. Testing adherence to policy on a regular basis is essential. These requirements will consist of meetings and regular written reports with professional advisors whose skills and judgments can be relied upon. So far as the Fund is concerned, the advice is provided mainly by Council officers and the advisers detailed in the Annual Report and Accounts.

INTRODUCTION

GOVERNANCE ARRANGEMENTS

GOVERNANCE COMPLIANCE STATEMENT 2020

In addition to the setting of policy and investment parameters for the Fund, Committee will regularly review the performance of investment pool operator company, LGPS Central Limited, in terms of service delivery, product development and wider pool in progress towards meeting the investment pooling objectives (aligned to Government criteria) to deliver increased capacity to invest with strong governance and enhanced returns (after cost).

STANDARD REQUIRED OF PENSIONS COMMITTEE MEMBERS

The standard required of Pensions Committee Member in exercising their powers of investment ensures they take such care as an ordinary prudent man would take if he were minded to make an investment for the benefit of other people for whom he felt morally bound to provide.

That duty includes the duty to seek advice on matters which the Committee Members do not understand, such as the making of investments, and on receiving that advice to act with the same degree of prudence. This requirement is not discharged merely by showing that the Committee Member has acted in good faith and with sincerity. Honesty and sincerity are not the same as prudence and reasonableness. Accordingly, although a Committee Member who takes advice on investments is not bound to accept and act upon the advice, unless in addition to being sincere, he/she is acting as an ordinary prudent person would act.

ROLE OF A LOCAL PENSIONS BOARD MEMBER

The role of a local Pensions Board Member is to assist in the good governance of the Local Government Pension Scheme through the monitoring of compliance with statutory regulation and guidance and to act as a representative both for and on behalf of the employer and member base ensuring effective governance and administration in the management and payment of pension benefits.

Pensions Board members are non-political, they represent the Funds members and employers (not political group or trade union) and must consider the Fund's overriding objective which is to pay members benefits when they fall due.

Appointments to the Pension Board are made in accordance with the Local Pension Board Appointment Process and the Pensions Board Terms of Reference which is approved on an annual basis and published on the Fund's website. As detailed above, the Fund's Pension Board consists of 12 individuals, six employer and six member representatives, two of whom are elected members of the City of Wolverhampton Council. Whilst the Pensions Board is not a formal Committee of the City of Wolverhampton Council it is administered as an S101 Committee and Members of the Board have the same right to access information and documents as elected members.

It is a requirement that a member of the Local Pensions Board of a public service pension scheme must be conversant with:

- the rules of the scheme, and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

A member of a Local Pensions Board must have knowledge and understanding of:

- the law relating to pensions, and
- any other matters which are prescribed in regulations.

The Fund has an approved Pensions Committee and Pensions Board Member Training Policy which is published on its website. There is an expectation that Pension Board adhere to the policy in order to fulfil knowledge and understanding requirements.

Each member or proposed member of a Local Pensions Board must provide such information as is reasonably required for the purposes of reviewing actual or potential conflicts of Local Pensions Board members. A conflict of interest may arise when Local Pensions Board members must fulfil their statutory role of assisting the scheme manager in securing compliance with the scheme regulations, other legislation relating to the governance and administration of the scheme and any requirements imposed by the regulator or with any other matter for which they are responsible, whilst having a separate personal interest (financial or otherwise), the nature of which gives rise to a possible conflict with their statutory role. Further information on the role of a Local Pensions Board member and a copy of the Funds's Pensions Board Conflicts of Interest Policy can be found on the Fund's website along with register of interests for Pensions Board members.

COMMITTEE, BOARD AND OFFICERS' KNOWLEDGE AND SKILLS

Committee, Board and officers' knowledge and skills are a key competent to the Fund's ability to carry out its duties, and a range of measures are in place to support and enable them to undertake their role. In compliance with Principle E of the MHCLG statutory guidance, the Fund places the knowledge and capacity of its Committee and Board members at the forefront of its good governance ensuring Pensions Committee and Board members and officers have the relevant skills and knowledge to perform their roles. The Fund applies the CIPFA Knowledge and Skills Framework to achieve this objective and meets the legislative requirements set out in the Public Service Pensions Act 2013.

Framework

Seven areas of knowledge and skills have been identified as core technical requirements for those associated with LGPS pension funds:

- Pensions legislation and governance context
- Pensions administration

INTRODUCTION

GOVERNANCE ARRANGEMENTS

GOVERNANCE COMPLIANCE STATEMENT 2020

- Pension accounting and auditing standards
- Financial services procurement and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards and practices

It is not the intention that Pensions Committee and Board members should individually become technical experts, but collectively they have the ability, knowledge and confidence to question and challenge the information and advice they are given, and to make effective and rational decisions.

Officers advising members and implementing decisions should have a more detailed knowledge appropriate to their duties.

The Fund have an approved Officer Training Policy and Officers are expected to demonstrate their professional competency through continuing professional development (CPD) arrangements.

The Fund has an approved Pensions Committee and Pensions Board training policy which is published on the website, and includes in its Annual Report and Accounts details of the knowledge and skills development undertaken by these groups.

The Fund also has in place effective training monitoring and is able to demonstrate:

- how the framework has been applied
- what assessment of training needs has been undertaken
- what training has been delivered against the identified training needs

REPRESENTATION OF OTHER INTERESTED PARTIES

The Fund is open to any organisation with a direct interest attending the regular Committee meetings to observe proceedings, and the Fund will engage with employing bodies on significant issues affecting them so their views can be taken into account before a decision is made, eg, three-yearly actuarial valuations.

The Fund will provide information on its website and directly to employing bodies on issues in which they may have an interest.

The Local Pensions Board is seen as the main area of involvement of active, deferred and pensioner members as well as our broad range of employer groups who are represented on the Board, and on the Fund's Employer Peer Group.

The Fund does engage directly with individual members providing relevant information, the content determined by the responses to the information provided and requested.

Further information on the Fund's approach to engagement and involvement with scheme employers and members can be found in the Customer Engagement Strategy and the Employer

Engagement Roadmap which are available on the Fund's website. The Fund have established an Employer Peer Group, a group of employer representatives that provide feedback on changes, processes and policies in order to shape the Fund's services.

In providing opportunities to engage with various stakeholder groups, The Fund determines that it complies with Principle I of the statutory guidance.

ORIGINS OF THE FUND AND RESPONSIBILITIES

Following the 1974 reorganisation, all Council employees in the area (excluding teachers, police and fire officers) were members of the West Midlands Superannuation Fund with the former county council as administering authority. The 1986 reorganisation led to the City of Wolverhampton Council becoming the administering authority for the Fund and local government employee pensions other than teachers, police and fire officers in the West Midlands. Responsibility for discharging the administering authority role is delegated to the Pensions Committee which has representatives from the metropolitan district councils as the largest employers and four trade union representatives nominated from across the region.

The changes in responsibility for the delivery of Council services has seen a growing number of private sector firms and voluntary organisations becoming members of the Fund in respect of the workforce that delivers public services with the largest employer group being academies.

The LGPS regulations set out the responsibilities of the key parties, further details are available on the Fund's website where operational and management arrangements are set out.

Appendix 1: Statement Of Compliance To Guidance

To further outline the Fund's compliance against the statutory guidance, what follows is an assessment of the Fund's governance arrangements against each principle.

	Not Compliant				Fully Compliant
Principle A- Structure					✓
Principle B- Membership					✓
Principle C- Selection					✓
Principle D- Voting					✓
Principle E- Training					✓
Principle F- Meetings					✓
Principle G- Access					✓
Principle H- Scope					✓
Principle I- Publicity					✓

Notes:

Principle B (a) and (b) – are not applicable to the Fund
Principle F (b) and (c) – are not applicable to the Fund

INTRODUCTION

GOVERNANCE ARRANGEMENTS

INVESTMENT POOLING

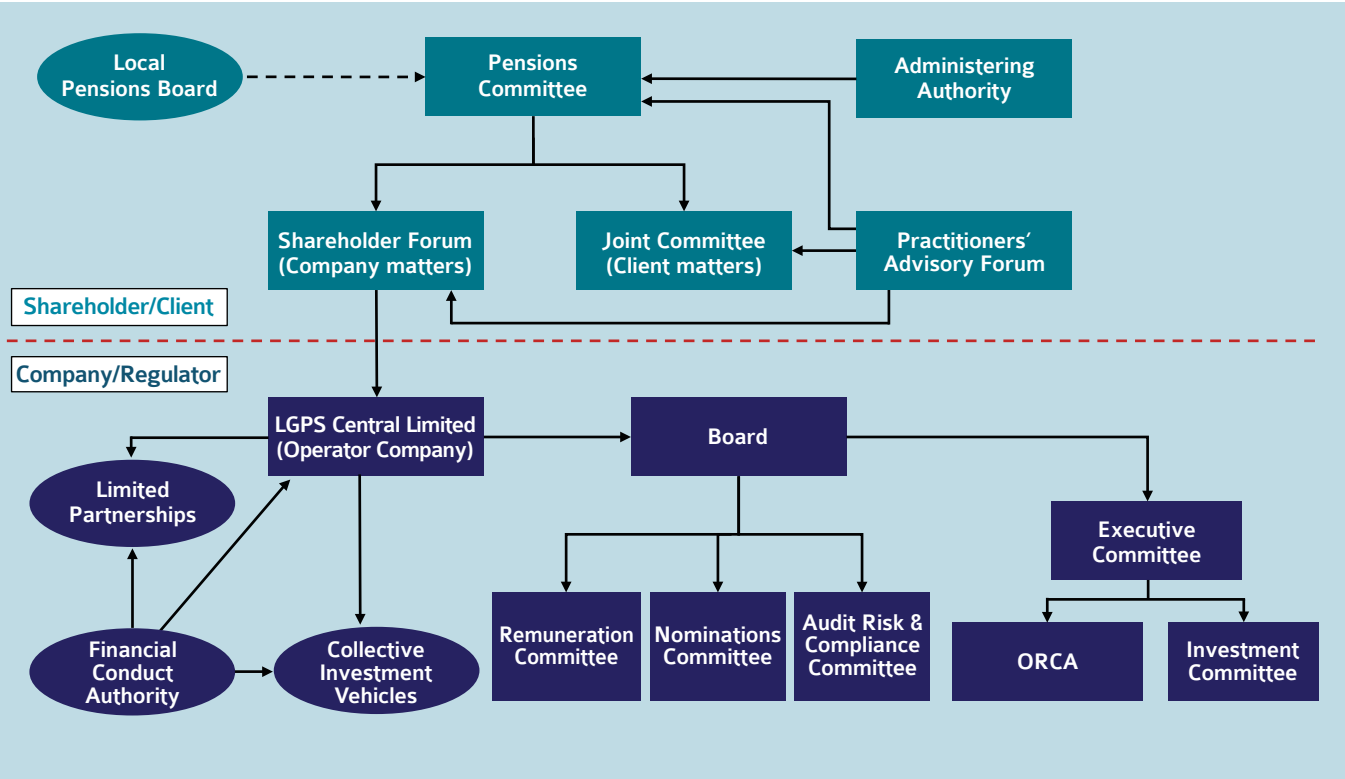
LGPS Central investment pool has been formed to enable the pooling of assets of eight administering authorities of the Local Government Pension Scheme (Partner Funds). In order to effect pooling, the Partner Funds established an FCA regulated operator, LGPS Central Limited. LGPS Central Limited (The Company) is wholly owned by the Partner Funds who are its customer and also shareholders.

The Company’s investment performance and capability is overseen by the Partner Funds on a day-to-day basis by the Senior Fund Officers via the Practitioner’s Advisory Forum and formally on a bi-annual basis by the Joint Committee, which is constituted of representatives from each of the Partner Funds.

Company performance is overseen by shareholder representatives from the eight administering authorities of the Partner Funds both on an ongoing basis and formally once a year at its AGM.

The Partner Funds and the Company work collaboratively to build the investment capabilities required to ensure that the Partner Funds are able to efficiently and effectively deliver their strategic asset allocations in line with the guiding principles. However, to hold the Company to account and to meet FCA requirements for a regulated asset manager, the governance structure is designed to ensure sufficient independence between Partner Funds and the Company during implementation and ongoing management of the Investment Sub-Funds.

The following diagram shows the governance structure in place at LGPS Central investment pool.



INTRODUCTION

GOVERNANCE ARRANGEMENTS

INVESTMENT POOLING

ROLES AND RESPONSIBILITIES

As owners of the Company, Partner Funds act in the capacity of shareholder in relation to the Company. As shareholders, the Partner Funds have a one fund, one vote responsibility at Company meetings. The matters on which the shareholders vote are outlined in the Shareholder Agreement which details the relationship of the Company to its shareholders. As shareholders, the Partner Funds undertake an oversight and scrutiny role in the management of the company, ensuring it delivers for customers, is operating within budget and is achieving its strategic aims. There are a number of reserved matters which require either unanimous or majority approval from Shareholders.

Executive Board

The Board is collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs, having due regard to its shareholders, customers and other stakeholders.

The Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enable risk to be managed. The Board sets the Company's strategic aims, ensures the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. The Board sets the Company's values and standards and ensures that its obligations to its shareholders, customers and other stakeholders are understood and met.

Joint Committee

The Joint Committee is formed of Partner Fund representatives and sit in the capacity of customer of LGPS Central Limited. In this capacity, the Partner Funds have appointed LGPS Central Limited as their investment manager and consider the delivery of services as set out in the Investment Management Agreements/Client Services Agreements. It is the collaborative vehicle through which Partner Funds provide collective oversight of the performance and direction of LGPS Central investment pool.

Practitioner's Advisory Forum

This is formed of officers from the Partner Funds who provide expert advice and support to the shareholder representatives and Joint Committee. Acting in the capacity of the role from their own administering authority, the Practitioner's Advisory Forum support elected members in their decision making and challenge of LGPS Central investment pool and LGPS Central Limited.

INTRODUCTION

GOVERNANCE ARRANGEMENTS

MEMBER TRAINING RECORD

The Public Service Pensions Act 2013 provides for the regulation of the LGPS by The Pensions Regulator and, accordingly, the increased emphasis on the role of Funds' Governing Bodies their knowledge and understanding. The Fund's Pensions Committee and Pensions Board training policy is reviewed and approved annually by the Pensions Committee, in accordance with the policy training activity undertaken is monitored, recorded and reported to each body. By implementing and participating in training, Committee and Local Pensions Board members will be better placed to make well-informed decisions and, consequently, will be able to comply with the increased requirements of the regulator and the overarching governance requirements of the scheme.

A major factor in the governance arrangements of the Fund is to ensure that the Committee and the Local Pension Board members and officers have the relevant skills and knowledge through application of the CIPFA Knowledge and Skills Framework.

Arrangements for regular training are in place with training delivered through various means including in-house structured training events for both Pensions Committee and the Local Pensions Board, conferences, training delivered at Committee meetings, as well as briefings and research material.

Training activity undertaken is recorded and quarterly training returns are sent out to all Pensions Committee and Local Pensions Board members asking them to record additional activity such as online training or reading.

In the period 2019/20, training included the following:

- Responsible investment
- Internal and External Audit
- Pensions accounting and auditing standards
- Investment strategy
- Guaranteed minimum pension
- Pensions legislation and the regulatory environment
- Fund and wider LGPS governance
- Pensions administration
- Data management
- Fund service development

In line with the Fund's training policy, all new Committee and Board members are invited to attend an induction course to provide an oversight of the Fund, its policies, the role of our governing bodies together with an overview of the reports and decisions they may be presented with over the course of the year. Throughout the year a total of 1084 training hours were recorded across the two bodies. 874 hours by Pensions Committee and 210 by the Local Pensions Board. 21 members met or exceeded their training target (training targets are pro-rata for members that do not serve a full year).

The Fund's training programme includes the invitation of external parties and stakeholders to provide bespoke expertise in developing knowledge. Details of the training sessions and presentations provided to the Pensions Committee and the Local Pensions Board during 2019/20 are as follows:

- Role of External Audit and Oversight of Financial Statements – Grant Thornton
- Role of Internal Audit and Annual Assurance – Wolverhampton City Council Internal Audit
- 2019 Valuation– Barnett Waddingham
- LGPS Administration & Investment Benchmarking – CEM Benchmarking
- HSBC Securities Services – HSBC
- Sustainable Investment – RBC Global Asset Management
- Market Update (Including Brexit Implications and Value-Added Activities) – CBRE Global Investment Management
- The Pensions Regulator LGPS Deep Dive and the Future of Governance – Aon
- Investment Risk – Mercer
- LGPS Central Limited Update – LGPS Central

In summary, the Fund invests significant resources into the development of its Committee and Local Pensions Board members, firmly believing that the benefits over the long term are essential to the effective governance and management of the Fund.

Pensions Committee

Member	Number of Committee meetings attended*	Voting rights	Training hours
ClIr Stephen Simkins	3	Yes	45
ClIr Milkinder Jaspal	3	Yes	34
ClIr Clare Simm	2	Yes	30
ClIr Harman Banger	2	Yes	12
ClIr Phil Page	3	Yes	288
ClIr Keith Inston	3	Yes	38
ClIr John Reynolds	3	Yes	36.5
ClIr Jasbinder Dehar	3	Yes	24
ClIr Paul Singh	3	Yes	24
ClIr Jane Stevenson (Apr 19 – Dec 19)	2	Yes	19
ClIr Rose Martin	2	Yes	11.5
ClIr Joe Tildesley	3	Yes	25
ClIr Muhammad Afzal	2	Yes	37
ClIr Sandra Hevican	2	Yes	22
ClIr Bally Singh	3	Yes	29
ClIr Alan Taylor (Oct 19 – Mar 20)	1	Yes	19
Ian Smith	2	No	52
Martin Clift	3	No	60
Malcolm Cantello	3	No	68

INTRODUCTION

GOVERNANCE ARRANGEMENTS

MEMBER TRAINING RECORD

Local Pensions Board

Member	Number of Committee meetings attended*	Voting rights	Training hours
Joe McCormick	3	Yes	32.5
Adrian Turner	3	Yes	29.5
Paul Johnson	3	Yes	33.5
Ian Martin	3	Yes	16
Jacqueline Carman	1	Yes	11
Sharon Champion	1	Yes	33
Michael Foxall	2	Yes	28
Cllr Jasbir Jaspal	2	Yes	10.5
Cllr Hazel Malcolm	2	Yes	11
George Hickman April 19 – Jan 20	0	Yes	0
Stan Ruddock (Jan 20 – Mar 20)	1	Yes	5

*To note, that during the 2019/20 year three meetings of Pensions Committee and Local Pensions Board were held instead of the usual four. Meetings in March/April were cancelled due to the Covid-19 pandemic and have resumed in 2020/21 through a secure virtual meeting platform.

Rachel Howe

Head of Governance and Corporate Services

Date: July 2020

INTRODUCTION

INTERNAL AUDIT

The Fund's Internal Audit Service is supplied by the administering authority, City of Wolverhampton Council.

The purpose of internal audit is to provide the Director of Pensions, Section 151 Officer, Pensions Committee and Board with an independent and objective opinion on risk management, control and governance and their effectiveness in achieving the Fund's agreed objectives.

Internal Audit forms part of the wider assurance framework supporting the Fund to ensure that any risks to the achievement of business priorities have been identified and managed. Internal Audit indicate whether controls have been adequately designed and effectively operated regardless of the source of assurance. Work is conducted in accordance with the Public Sector Internal Audit Standards.

Based on the work undertaken during the year, subject to the implementation of agreed recommendations and assurances received by other providers, Internal Audit can provide reasonable assurance that the Fund has adequate and effective governance, risk management and internal controls throughout 2019-20.

Internal Audit work undertaken during the 2019 -20 financial year included the following planned reviews:

- Risk Management Review
- Recruitment and Retention of Employees
- Accounts Receivable
- Accounts Payable
- Main Accounting
- Treasury Management

In addition, to planned internal audits, a number of specific consultancy and advice projects have also been completed, including the provision of training to the Pensions Committee and Board. Internal audit also follow up on previous year's recommendations. Further, as part of ongoing support to the Fund, 25 credit checks using Dunn and Bradstreet were completed which reviewed individual organisations financial stability when seeking admission to the Fund.

Internal audit also forms part of a pool working group with partner funds which oversee governance activities.

In accordance with the Cabinet Office requirements, Internal Audit is the Fund's key contact for the National Fraud Initiative. Advice and support is provided throughout the year, as required and requested.

INTRODUCTION

OUR PEOPLE

Our people are our greatest asset, not only in the service they provide to our customers, but also as ambassadors for the Fund in driving change creating innovation in our service delivery.

In this demanding and ever-changing environment, the success of West Midlands Pension Fund is achieved through the determination, enthusiasm and professionalism of its Committee members, Local Pensions Board and officers. We believe that continuous effective learning and development benefits the individual and the organisation and contributes to the overall delivery of the Fund's objectives.

The Fund's commitment to its people was showcased in our achieving Gold accreditation in Investors In People, February 2020, the assessor noting:

“

People enjoy working for the Fund and engagement levels are high, values and ethical practices underpin what your organisation stands for...

”

INVESTORS IN PEOPLE™
We invest in people Gold

“

People are involved in championing change and are given opportunities to engage with strategic and operational projects and programmes...

”



WEST MIDLANDS PENSION FUND

The Fund has 161 employees as of 31 March 2020 split across Finance and Investments, Operations, Pension Services and Governance and Corporate Services. In the past 12 months, 42 new employees joined the organisation, bringing with them an array of skills and abilities gained from experience working in a range of sectors and organisations.

The Fund believes that by investing in its people it empowers them to increase skills, facilitate career development and helps them to progress their role in the organisation. This year 27 employees were promoted or obtained permanent positions with the Fund moving from a temporary post.

There is opportunity for employees to discuss training and development through a wide range of approaches during regular one-to-one meetings or as part of the annual appraisal process.

This year the Fund has supported colleagues in achieving PMI qualifications, ACCA, Investment Management Certificate, Prince 2 project management as well as supporting soft skill developments such as presentation and leadership skills.

The Fund also has employees undertaking an apprenticeship management development programme to enhance manager tools across the organisation. Employees are completing various levels of the programmes from team leader up to senior leadership level.

INTRODUCTION

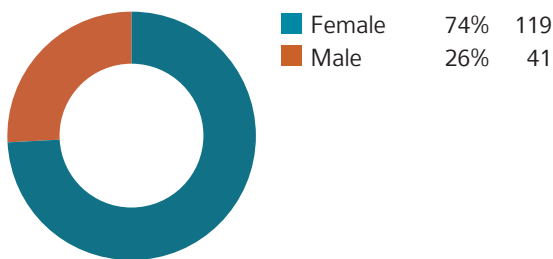
OUR PEOPLE

Throughout 2019/20 we continued to develop our successful Graduate and Trainee Programme which has been in place over the last three years. The programme is designed to equip employees to learn new skills, obtain a professional qualification identified through a bespoke Personal Development Plan and set them on a path for the next steps in their career. Feedback from previous cohorts is very positive about the programme and opportunities provided to develop professional skills and career progression and the invaluable experience gained whilst

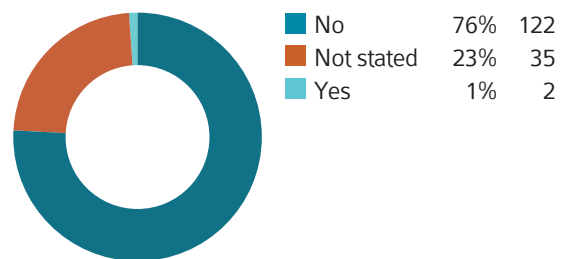
working at the Fund noting the support from colleagues to develop soft skills and confidence.

The Fund is a registered centre for the provision of the Pensions Management Institute (PMI) and can facilitate exams at this office, which enables staff to undertake qualifications in a familiar environment. This year due to Covid-19, the Fund continued to facilitate students learning remotely with online learning workshops to support with the continuation of exams.

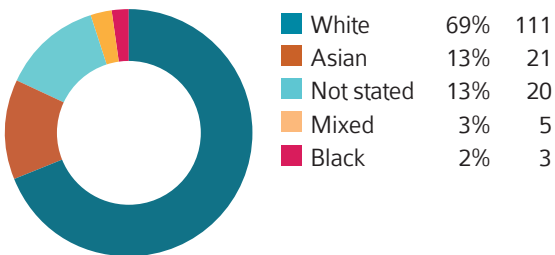
GENDER



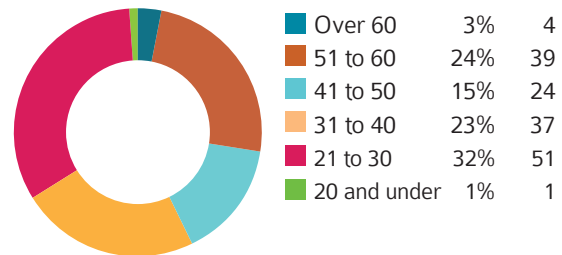
DISABILITY



ETHNICITY



AGE



COMMUNICATIONS REPORT



Andrew Hemming

Alongside our communication deliverables, the Fund has had three primary focus points in its communication strategy for 2019/2020. These were:

- use different digital platforms to enhance engagement with members, employers and stakeholders;
- to create awareness to our members of the importance of planning for retirement; and
- to encourage members to engage with their pension provisions through signing up to use the Fund's self-service platform – Pensions Portal.

POLICY STATEMENTS

The Fund reviews its *Communications Policy Statement* annually, ensuring that it reflects and meets the changing needs of the LGPS members, employers and the local government pension environment overall.

The production of a *Communications Policy Statement* has been a requirement since April 2006 for all pension fund administering authorities.

The document outlines how the Fund will engage and communicate with:

- all scheme members and their representatives;
- prospective scheme members and employers;

- contributing employers;
- Pensions Committee and Pensions Board
- our staff; and
- external stakeholders (such as the media and interest groups)

The *Communications Policy Statement* and *Customer Engagement Strategy* are available on the Fund's website.

COMMUNICATIONS DELIVERABLES

The Fund communicates with our customers in a variety of ways and communications through a number of channels such as electronic, face-to-face events and print. During 2019/2020 the Fund has continued and expanded its "Be Pension Smart" communications campaign which was designed to raise member awareness of the importance of understanding and managing their pension provisions and planning for the future. This has been enhanced further as a result of member feedback to include a comprehensive *Pre-Retirement Guide* and toolkit which the Fund played a key role in the design at a national level across all LGPS funds.

The Fund continues to evolve its customer engagement annual plan and member support which now includes both member and employer webinars. The *Customer Engagement Plan* is tracked monthly and published on the Fund's website. The plan provides an overview of the methods and timing of the Fund's communication and engagement with our various stakeholders.

The Fund continues with its regular communication which includes, amongst other activities

- regularly updating our website content and design;
- producing quarterly newsletters for employers;
- producing annual newsletters, bespoke to our membership categories; and
- providing both members and employers with a variety of face-to-face support, webinars and events.

One of the unforeseen communication challenges for 2019/2020 was communicating with members through the Covid-19 pandemic. However, I'm pleased to say our proactive approach ensured all our members and stakeholders received the support and information they required during this difficult period. Again, the Fund assisted at a national level supporting the LGA designing member FAQs to provide reassurance to our members.

The Fund prides itself on delivering communications of a high standard, ensuring it is well placed to deal with changes and developments in the new financial year.

Andy Hemming

Communications & Events Officer

Date: September 2020

COMMUNICATIONS POLICY STATEMENT

BACKGROUND

The West Midlands Pension Fund ("The Fund") is one of the UK's largest pension funds, managing and administering the pension interests of over 320,000 members and more than 702 scheme employers, as at 31 March 2020. We are administered by the City of Wolverhampton Council on behalf of all West Midlands local authority bodies.

Our core mission is to ensure that our members receive their pension benefits when they fall due. Through increasing dialogue with our customers on the Local Government Pension Scheme and its membership and benefits, we carry out our role as administering authority in partnership with employers contributing together for our members' future. This plays a key role in enabling employers to meet their statutory responsibility to assist members planning their retirement.

This *Communications Policy Statement* outlines how we will communicate with our customers, ensuring information is provided in a clear and concise way, and is readily available.

In April 2006, the Local Government Pension Scheme (LGPS) regulations were amended to state that each pension fund administering authority is required to prepare, publish and review regularly its communications policy statement. The regulations outline what funds are required to publish.

This document outlines our communications policy in line with that requirement, and covers the following categories in our regular communication activity:

- 1 Communicating with scheme members
- 2 Communicating with prospective members
- 3 Member self-service
- 4 Communicating with member's representatives
- 5 Communicating with employers
- 6 Communicating with prospective employers
- 7 Customer Engagement Strategy

1 COMMUNICATING WITH SCHEME MEMBERS

We produce an extensive range of scheme literature for all membership categories. Copies of scheme literature are made available on our website, www.wmpfonline.com/memberinfo

with direct links to the national LGPS member site www.lgpsmember.org



Annual Newsletters

The Fund produces annual newsletters to our active, deferred and pensioner members.

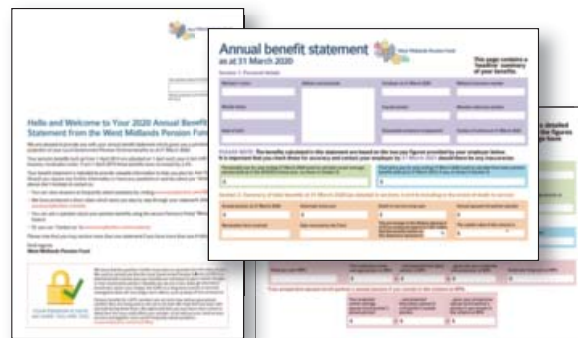
These newsletters provide important updates and valuable member information.

Annual Benefit Statements

An annual benefit statement is made available online for all active and deferred members. These statements provide members with an update on the value of their pension benefits and a projection at normal pension age.

Statements are made available through our [pensions portal self-service](#) facility. Benefit statements can be issued in paper form on written request.

If there is an instance where a benefit statement cannot be made available, due to incomplete or inaccurate data, we will notify members and their employers of this in writing.



Pensioner Pay Advice Slips

All Fund members in receipt of a pension receive a combined paper pay advice slip and P60 in April of each year. In the months of May through to March, we will only send a paper pay advice slip when there is a variance of £10 in their gross or net payment. For scheme pensioners that are paid quarterly and annually, we will issue a pay advice slip every time a payment is made (June, September, December and March).

Scheme pensioners can also register to use the pensions portal, where pay advice information can be viewed electronically and printed at any time following the payment date.

Customer Service Support

We understand that pensions can be complicated, that's why we have a dedicated Customer Services Team who are ready to support members through each stage of their retirement journey.

The team prides themselves on delivering an excellent customer service, providing tailored support through the following channels:



Phone: 0300 111 1665*
(local rate number)



Email: through our
www.wmpfonline.com/emailus page

INTRODUCTION

COMMUNICATIONS POLICY STATEMENT



Portal Secure Message:

<https://portal2.wmpfonline.com>



In writing: West Midlands Pension Fund,
PO Box 3948, Wolverhampton, WV1 3NH.

As well as the above, we also provide information on the [Fund's website](#) and facilitate a reception service where members can make an appointment to speak to a team member face to face.

*Our contact centre is open between 8.30am and 5.00pm Monday to Thursday and 8.30am to 4.30pm on Fridays (we are closed on bank holidays).

Tea and Teach

The Fund holds tea and teach events that are aimed at our pensioner members and provide pensioners with the opportunity to openly discuss their pension queries, such as payment options.

Members get a warm welcome with tea and coffee.



Surveys

Seeking feedback on the delivery of our services is key to continually improving the services we offer. In addition to the rolling survey which can be accessed through our [website](#), we have launched bespoke [customer feedback surveys](#) which relate to our customer's most recent interaction with us (e.g. retirement, joiner, etc.).

The surveys help us understand our customer's journey, whilst highlighting areas of best practice, identifying potential service developments and, in turn, allowing us to continually improve our customer's experience.

Member Services Team



We have a dedicated team that provide support and guidance for all members. The team has extensive knowledge of the scheme and provides information through various methods including presentations, face-to-face consultations and roadshows.

All support can be arranged at a time and place to suit our members and can be held at employer locations or at the Fund's offices in Wolverhampton.

Member Support

Drop-In Sessions

Members can attend drop in sessions held at their workplace for support and guidance in relation to their pension.

Individual Pension Consultations

Members can make an appointment with one of our officers to discuss their pension options.

Presentations

The team offers a suite of presentations which include:

- Introductions to the Scheme
- LGPS & You
- Pension Tax
- Pre-Retirement
- Redeployment

Pension Roadshows

We host information events at employer locations across the West Midlands region. In addition to these roadshows at district council offices, additional events can be held on request, particularly when there may be organisational changes occurring which have pensions implications.



Roadshow events provide members with an opportunity to engage with Fund officers regarding their pension benefits. The team has a self-sufficient, purpose-built exhibition vehicle which is maintained and driven by Fund officers and can be taken out to employers across the region. Members can come and see the team at any time throughout the event.

Literature is provided for members to take away, this includes general information on the LGPS, how to register for Pensions Portal, information on additional voluntary contributions, additional pension contributions, and much more.

INTRODUCTION

COMMUNICATIONS POLICY STATEMENT

We can assist employers in advertising events by providing e-posters or wording for intranet sites in advance to fully promote the roadshows.

Webinars

We understand that it is not always convenient for members to attend face-to-face events therefore, we offer webinars to cover all the basics of the scheme and provide members with links and guidance to assist them to take control and plan their retirement. Webinars are run at various times including evenings to try and ensure all members have access to pensions support.

2 COMMUNICATING WITH PROSPECTIVE MEMBERS

Scheme Booklets and Website

All prospective scheme members will be provided with a link to the Fund's website where they can [access scheme booklets](#). Our website also provides information to help members make an informed decision about contributing to the LGPS, the 50:50 scheme and how to opt out of the scheme.

Corporate Induction Courses

We will attend corporate induction events across the region to present to prospective scheme members the benefits of being a member of the LGPS.

3 MEMBER SELF-SERVICE

The Pensions Portal

An [online portal](#) gives our members secure access to their LGPS record/s.



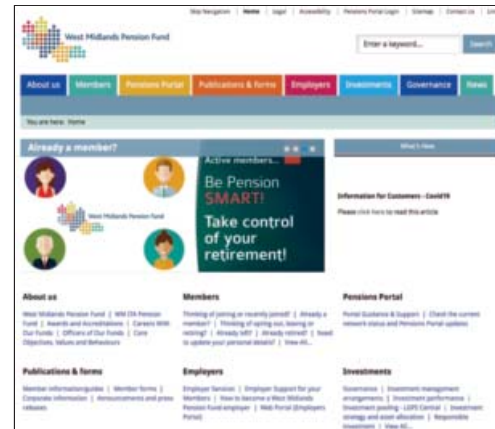
This facility provides members with an online platform to enable them to update their personal details and contact the fund about their benefits.

Also, member's annual benefit statements can be accessed, and members can run pension projections as well as update their nomination form.

The Fund's Website

www.wmpfonline.com

The Fund maintains an extensive online resource at wmpfonline.com containing information about the scheme and the details about our current activities. There are also links to another relevant partner organisation.



4 COMMUNICATING WITH MEMBERS' REPRESENTATIVES

Materials available to members are also available on request to their representatives or through wmpfonline.com

Trade Unions

We work with trade unions to ensure the scheme is understood by all interested parties. Training days for branch officers can be provided upon request, and the Fund ensures that all pension-related issues are communicated effectively with trade unions through their representative on the Pensions Committee.

5 COMMUNICATING WITH SCHEME EMPLOYERS

The Employer Services Team are the first point of contact employers have with the Fund and provide support to both participating and prospective employers.



COMMUNICATIONS POLICY STATEMENT

With over 100 years of combined pensions experience, the team are well versed in the issues that Fund employers face and are able to tailor their support accordingly. The team offers support by email and on the telephone, as well as offering regular coaching sessions, webinars and bespoke meetings.

Employer Services Team

e-Newsletter

An electronic newsletter, entitled *Employer's Briefing Note* is issued on a quarterly basis to all employers, including ad hoc *Briefing Notes* on specialist subjects. This is used to communicate the activities of the Fund and inform of any regulatory changes which may impact on the employer's function or their members' pension benefits.

Website and Web Portal

The Fund maintains a [dedicated area of its website](#) for scheme employers containing news, learning materials and other electronic resources.

Each employer can request to access the Fund's [Web Portal \(Employer Portal\)](#). This allows them secure access to the membership details of their current employees. The portal provides employers with the ability to make changes to member records including working hours and personal details. The portal also provides the facility to calculate early retirement estimates and any associated early retirement costs.

Dedicated Telephone Helpline: 0300 111 6516

A dedicated local rate employer customer service line is provided for scheme employers. This allows the Fund to respond to employer generated telephone calls at peak times.

Annual General Meeting and Mid-Year Review for Employers

The Fund invites each employer to our general meeting each winter. This event is used to communicate strategic issues, performance, legislation changes and triennial valuation matters.

In addition to this, the Fund also holds a similar employer event each summer where employers are kept up to date with important issues through presentations and roundtable discussions.

Employer Peer Group

A quarterly working group consisting of Fund officers and employer representatives form a cross section of the employer base that seeks to discuss proposed Fund developments in order to gain initial and invaluable employer comment and also invites attendees to raise subjects for discussion that affect the entire employer base.

Employer Coaching Sessions

The Fund offers face to face support in the form of full day coaching sessions to assist with the development of knowledge and understanding of the Fund, the web portal facility, Fund administration requirements and employer roles and responsibilities aligned to its [Pensions Administration Strategy](#).

Employer Webinars

To complement the face-to-face coaching offered the Fund also presents a series of monthly webinars designed to help employers in their day-to-day administration of the scheme. These webinars are ideal for new staff, new employers to the scheme or those staff that feel they would benefit from a bite-size refresher session on specific topics.

6 PROSPECTIVE EMPLOYERS

The Fund's Employer Services team works with new and prospective employers throughout the onboarding process to help with their understanding of the obligations under the LGPS regulations. The team liaise with new employers to produce the necessary admission agreements, provide clarity regarding duties as a new scheme employer and encourages all new employers to attend either a full coaching session or the bite-size webinars, specifically the 'Fund induction for new Employers' Webinar.

7 CUSTOMER ENGAGEMENT STRATEGY

In line with the Fund's objectives, the *Customer Engagement Strategy* plays a key role in ensuring the Fund drives continuous improvement and develops working practices, systems and processes which are prioritised according to the needs of our customer base.

Ultimately, engaging with our customers helps the Fund to understand customer feedback, review and monitor service effectiveness, analyse performance, and develop and deliver a service that is focused on the requirements of our customers.

We actively engage with our customers to keep them informed about the scheme, the performance of the Fund in the delivery of its service, ensuring these meet both the legal and regulatory duty of scheme administration as set out in The Pensions Regulator's Code of Practice, and the Fund's own objectives for service development.

Our success is dependent on building and maintaining good working relationships with our employers and scheme members, and this strategy aims to ensure customer focus is embedded in Fund operations exhibited on our behaviours.

Our strategy outlines:

- What customer engagement is to the West Midlands Pension Fund;
- Who we will engage with regarding the delivery of our services;
- The types of engagement activities we undertake;
- How the insights from customer engagement activities are used;
- How we feed back to our customers the results and actions arising from their engagement with us; and
- How our customers can engage with us.



MANAGEMENT AND FINANCIAL PERFORMANCE

- 43** Fund Highlights
- 44** Scheme Management and Advisors as at 31 March 2020
- 45** Administrative Management Performance – Overall Fund Statistical Information
- 50** Contributions Receivable by Employer

FUND HIGHLIGHTS



333,934
Total scheme members



£15.3bn
Net assets of the Fund



£353.2m
Total contributions



704
Active scheme employers



161
Staff employed by the
Fund (FTE)



117,950
Contributing members



111,939*
Deferred members



104,045
Pensioner members



37
Full-time equivalent staff in
the Benefit Operations team



9,025
Scheme members to
Benefit Operations staff ratio



2,668
Average cases per
Benefit Operations staff

* includes unpaid/unclaimed refunds and beneficiaries

SCHEME MANAGEMENT AND ADVISORS AS AT 31 MARCH 2020

PENSIONS COMMITTEE 2019/20

CITY OF WOLVERHAMPTON COUNCIL

Civic Centre
St. Peter's Square
Wolverhampton
WV1 1SH

city.direct@
wolverhampton.gov.uk

General enquiries:
01902 551155

Switchboard:
01902 556556

Minicom:
01902 555554

Fax:
01902 551195

COUNCIL

- | | | | |
|--|------------------------------|--------------------------------|-----------------------------|
| • Councillor S Simkins
(Chair) | • Councillor H Banger | • Councillor M Jaspal | • Councillor P Singh |
| • Councillor M Jaspal
(Vice-Chair) | • Councillor J Dehar | • Councillor P Page | |
| | • Councillor K Inston | • Councillor J Reynolds | |

DISTRICTS

Observer Members

- | | | | |
|--|--|---|------------------------------|
| • Councillor M Afzal
Birmingham City Council | • Councillor J Tildesley
Solihull MBC | • Councillor A Taylor
Dudley MBC | • M Cantello - Unison |
| • Councillor R Martin
Walsall MBC | • Councillor B Singh
Coventry City Council | • Councillor S Hevican
Sandwell MBC | • M Clift - Unite |
| | | | • I Smith - Unite |

ADMINISTERING AUTHORITY OFFICERS 2019/20

- | | | | |
|---|---|---|---------------------------------------|
| • T Johnson
Managing Director | • T Davies
Head of Investments | • A Regler
Head of Operations | • C Nye
Section 151 Officer |
| • R Brothwood
Director of Pensions | • S Taylor
Head of Pensions | • D Singh
Head of Finance | |
| • J Davys
Assistant Director –
Investments and Finance | • R Howe
Head of Governance and
Corporate Services | • D Pattison
Monitoring Officer | |

MAIN EXTERNAL ADVISORS AND SERVICE PROVIDERS

Independent Auditor
Grant Thornton UK LLP

Investment Consultants
Hymans Robertson LLP
Redington Limited

Actuary
Barnett Waddingham LLP

Regional Asset Pool
LGPS Central Limited
Mander House
Wolverhampton
WV1 3NB

Custodian of Assets
HSBC Global Investment
Services

Banker
National Westminster
Bank plc

AVC Providers
Prudential Assurance
Company Ltd

Utmost Life and Pensions

Legal Advisors
City of Wolverhampton
Council Legal Services

Eversheds Sutherland
(International) LLP

Squire Patton Boggs
(UK) LLP

HMRC references
SCON number: S2700178F
ECON number: E3900002R
PSTR number:
003299101RC
PSTR sub-number:
49/16109

ADMINISTRATIVE MANAGEMENT PERFORMANCE

OVERALL FUND STATISTICAL INFORMATION

KEY MEMBERSHIP STATISTICS

Year	Active	Deferred	Preserved refunds	Pensioner	Beneficiary	Totals
31 March 2016	107,984	86,161	8,171	73,781	11,777	287,874
31 March 2017	117,005	87,369	9,222	76,521	11,975	302,092
31 March 2018	118,093	92,928	10,637	79,479	12,262	313,399
31 March 2019	121,035	95,066	11,703	83,434	12,557	323,795
31 March 2020	117,950	99,890	12,049	90,451	13,594	333,934

Active Members

The Fund has a total active membership of **117,950**. Since 31 March 2019, the number of contributing employees in membership has decreased by **3,085**.

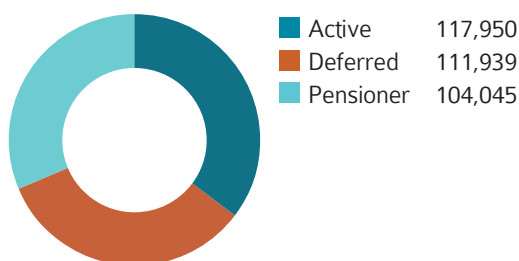
Deferred Members

These are former contributors who have left their pension rights with the Fund until they become payable at normal retirement date.

Pensioner Members

Pensions and other benefits amounting to **£637.8m** were paid in the year to retired members.

FUND MEMBER BY TYPE

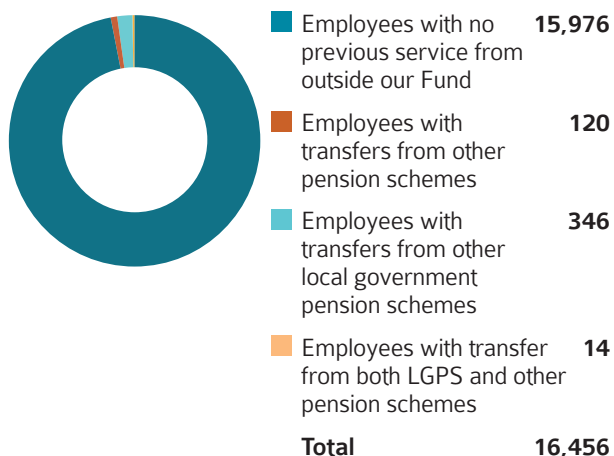
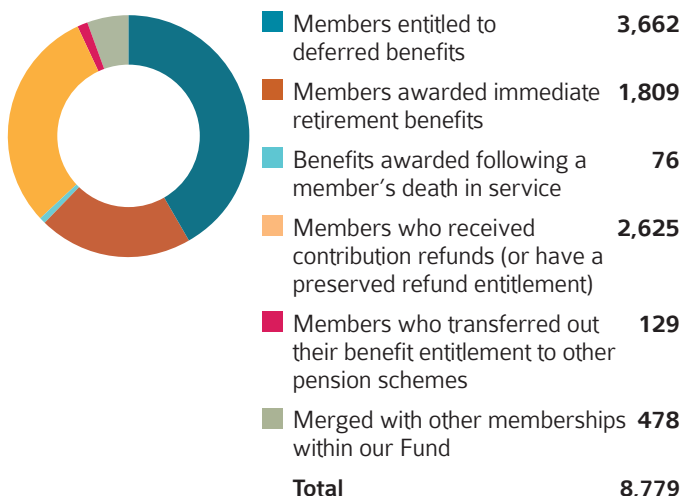


EMPLOYER DETAILS

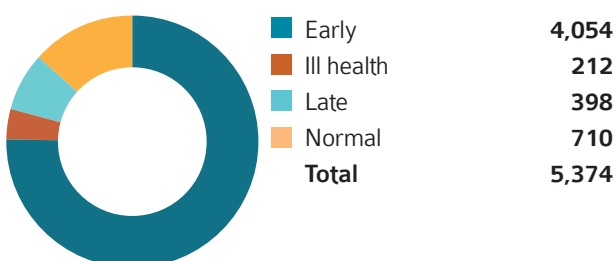
A summary of the number of employers in the Fund analysed by scheduled bodies and admitted bodies which are active (with active members) and ceased (no active members but with some outstanding pension liabilities) is given in the table below

	Active	Ceased	Total
Scheduled body	504	1	505
Admitted body	200	25	225
Total	704	26	730

BENEFIT OPERATIONS – MEMBERSHIP MOVEMENT

Admissions to the Fund**Withdrawals from the Fund**

NEW PENSIONERS IN YEAR 2019/20 BY RETIREMENT TYPE

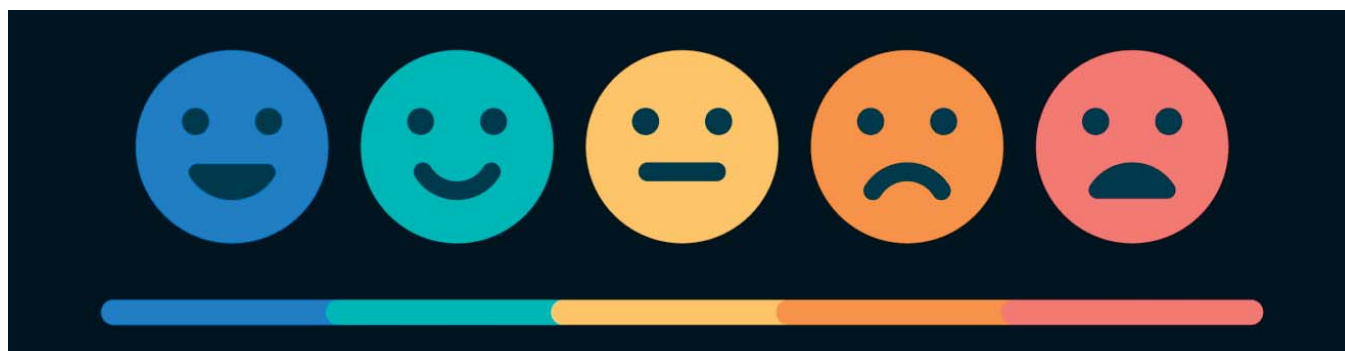


ADMINISTRATIVE MANAGEMENT PERFORMANCE

OVERALL FUND STATISTICAL INFORMATION

EMPLOYER AND CUSTOMER FEEDBACK

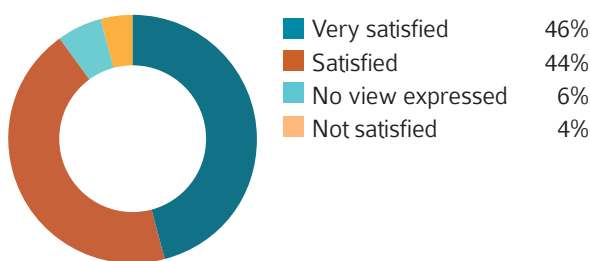
The Fund regularly collects feedback from its customers at all events held throughout the year, as well as following contact with customer services and issue of benefit information.



EMPLOYER FEEDBACK



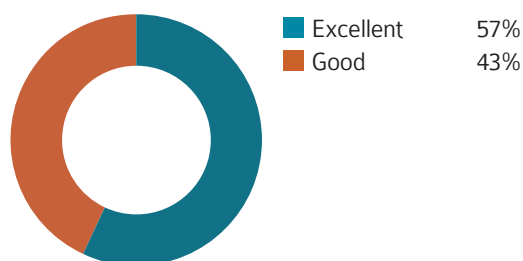
CUSTOMER FEEDBACK



AGM FEEDBACK



MYR FEEDBACK



Internal Dispute Resolution Procedure (IDRP)

Year to date for 2019/2020, two cases have been referred to Stage One of the procedure against the Fund and no appeals have been upheld on independent review.

Three cases have progressed to Stage Two of the procedure against the Fund, and these have been dismissed after independent review.

Five appeals against employer decisions have been received for Stage Two investigation, two cases have been upheld and the other three cases are on-going. The cases up-held were regarding a member wishing to receive a cash equivalent transfer value (CETV) details of the cash equivalent transfer value have been provided. The other case that was upheld was a medical case and the tier of ill health awarded after appeal was Tier 1. The three cases that are ongoing are also medical appeals.



ADMINISTRATIVE MANAGEMENT PERFORMANCE

OVERALL FUND STATISTICAL INFORMATION

AGE ANALYSIS – NUMBER OF MEMBERS

Status (age in years)	00-04	05-09	10-14	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54
Active	0	0	0	659	4,332	8,493	10,480	13,375	13,961	16,748	20,075
Beneficiary Pensioner	9	49	150	255	100	19	17	33	58	144	354
Deferred	0	0	0	6	531	3,673	7,808	10,903	12,134	15,646	20,472
Deferred Ex-Spouse	0	0	0	0	0	0	0	1	6	28	54
Pensioner	0	0	0	0	0	0	4	17	29	122	405
Pensioner Deferred	0	0	0	0	0	0	0	1	0	2	6
Pensioner Ex-Spouse	0	0	0	0	0	0	0	0	0	0	0
Preserved Refund	0	0	0	51	889	1,589	1,005	1,054	1,271	1,395	1,688
Total	9	49	150	971	5,852	13,774	19,314	25,384	27,459	34,085	43,054

Status (age in years)	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90-94	95-99	100+	Total
Active	17,451	9,613	2,251	491	21	0	0	0	0	0	117,950
Beneficiary Pensioner	644	945	1,363	1,974	2,286	2,304	1,780	862	224	24	13,594
Deferred	18,608	8,207	1,133	174	50	28	69	53	17	2	99,514
Deferred Ex-Spouse	71	37	1	0	0	0	0	0	0	0	198
Pensioner	5,036	15,416	22,417	20,383	12,910	7,848	4,030	1,456	292	26	90,391
Pensioner Deferred	13	1	0	0	0	0	0	0	0	0	23
Pensioner Ex-Spouse	1	3	22	25	6	2	1	0	0	0	60
Preserved Refund	1,605	1,121	175	55	43	40	22	20	22	4	12,049
Total	43,429	35,343	27,362	23,102	15,316	10,222	5,902	2,391	555	56	333,779

ADMINISTRATIVE MANAGEMENT PERFORMANCE

OVERALL FUND STATISTICAL INFORMATION

In 2019/20	Cases outstanding as at 01/04/19	Number of cases commenced in year	Number of cases completed in year	Number of cases outstanding as at 31/03/20	% of completed cases in year
Deaths - initial letter acknowledgement death of active/deferred/pensioner member	23	3,395	3,418	-	100.00%
Deaths - letter notifying amount of dependent's benefit	432	3,683	3,645	470	88.58%
Retirements - letter notifying estimate of retirement benefits (includes all retirement types; normal, ill health, early, late etc.) (active)	326	2,112	2,118	320	86.87%
Retirements - letter notifying estimate of retirement benefits (includes all retirement types; normal, ill health, early, late etc.) (deferred)	1,076	6,192	6,254	1,014	86.05%
Retirements - letter notifying estimate of retirement benefits (includes all retirement types; normal, ill health, early, late etc.) (total)	1,402	8,304	8,372	1,334	86.26%
Retirements - Letter notifying actual retirement benefits (includes all retirement types; normal, ill health, early, late etc.) (active)	24	1,878	1,985	17	104.36%
Retirements - Letter notifying actual retirement benefits (includes all retirement types; normal, ill health, early, late etc.) (deferred)	99	4,021	4,105	15	99.64%
Retirements - Letter notifying actual retirement benefits (includes all retirement types; normal, ill health, early, late etc.) (total)	123	5,899	6,090	32	101.13%
Retirements - process and pay lump sum retirement grant (include all retirement types; normal, ill health, early, late etc.) (active)	23	1,955	1,961	17	99.14%
Retirements - process and pay lump sum retirement grant (include all retirement types; normal, ill health, early, late etc.) (deferred)	96	3,927	4,013	10	99.75%
Retirements - process and pay lump sum retirement grant (include all retirement types; normal, ill health, early, late etc.) (total)	119	5,882	5,974	27	99.55%
Deferment - calculate and notify deferred benefits	10,749	11,994	12,520	10,223	55.05%
Transfers in - letter detailing transfer <i>in</i> quote	143	621	721	43	94.37%
Transfers in - letter detailing transfer <i>in</i>	53	459	458	54	89.45%
Transfers out - letter detailing transfer <i>out</i> quote	455	1,538	1,588	405	79.68%
Transfers out - letter detailing transfer <i>out</i>	18	265	258	25	91.17%
Refund - process and pay a refund	498	6,877	7,008	367	95.02%
Divorce quote - Letter detailing cash equivalent value and other benefits	79	523	546	56	90.70%
Divorce settlement - Letter detailing cash equivalent value and application of pension sharing order	6	25	17	14	54.84%
Member estimates	115	852	894	73	92.45%
Joiners - send notification of joining the LGPS to scheme member	-	19,939	19,939	-	100.00%
Aggregation - send notification of aggregation options	100	88	106	82	56.38%
Link ups	3,660	954	884	3,733	19.16%

ADMINISTRATIVE MANAGEMENT PERFORMANCE

OVERALL FUND STATISTICAL INFORMATION

Performance indicator (from point at which all required information has been received)	Local KPI target	Achieved (%)	Number of cases completed within KPI	Legal requirement (from notification)	Achieved (%)
Transfers in - letter detailing transfer <i>in</i> quote	10 days	97.9%	509	2 months	76.2%
Transfers out - letter detailing transfer <i>out</i> quote	10 days	99.5%	1,064	2 months	91.9%
Refund - process and pay refund	5 days	99.7%	3,211	2 months	97.1%
Retirements - letter notifying estimate of retirement benefits (including all retirement types; normal, ill health, early, late etc.) (active)	15 days	89.4%	1,772	2 months	79.3%
Retirements - letter notifying estimate of retirement benefits (including all retirement types; normal, ill health, early, late etc.) (deferred)	30 days*	94.2%	5,105	2 months	62.5%
Retirements - letter notifying estimate of retirement benefits (including all retirement types; normal, ill health, early, late etc.) (total, if not separated)	n/a	n/a	n/a	2 months	n/a
Retirements - letter notifying actual retirement benefits (including all retirement types; normal, ill health, early, late etc.) (active)	5 days	99.1%	1,930	2 months	n/a
Retirements - letter notifying actual retirement benefits (including all retirement types; normal, ill health, early, late etc.) (deferred)	5 days	98.1%	3,888	2 months	n/a
Deaths - initial letter acknowledging death of active/deferred/pensioner member	5 days	94.4%	3,228	2 months	n/a
Deaths - letter notifying amount of dependent's benefit	5 days	99.4%	503	2 months	90.0%
Retirements - process and pay lump sum retirement grant (including all retirement types; normal, ill health, early, late etc.) (active)	5 days	97.4%	1,910	2 months	n/a
Retirements - process and pay lump sum retirement grant (including all retirement types; normal, ill health, early, late etc.) (deferred)	5 days	96.4%	3,868	2 months	n/a
Deferment - calculate and notify deferred benefits	15 days	48.1%	5,321	2 months	89.6%

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Birmingham CC	45,939.06	21,959,972.37
Coventry CC	832.00	8,904,420.56
Dudley MBC	69,503.22	8,793,799.22
Sandwell MBC	25,967,038.03	9,363,104.25
Solihull MBC	4,822.51	5,390,418.01
Walsall MBC	6,139.99	6,678,641.44
Wolverhampton CC	64,637.89	7,067,267.34
Aston University	426,000.00	-
Black Country Museum Trust Ltd	69,295.01	16,281.98
Birmingham Institute for the Deaf	6,344.40	1,088.64
Central England Law Centre	20,996.28	6,465.96
Wolverhampton Grammar School	80,222.51	31,880.58
Chelmsley Wood Town Council	26,000.41	7,616.14
Wolverhampton Voluntary Sector Council	30,389.88	9,629.36
Fordbridge Parish Council	6,587.70	2,039.12
West Midlands Travel Ltd	2,339,960.31	622,915.25
Birmingham City University	5,675,638.71	2,467,598.97
Coventry University	9,154,191.05	3,954,569.85
University of Wolverhampton	6,924,779.42	2,536,402.60
West Midlands Fire and Civil Defence Authority	861.04	834,768.55
The Chief Constable for West Midlands Police	17,898,993.36	6,959,305.81
University College Birmingham	1,465,341.59	549,122.86
South and City College Birmingham	2,121,498.12	697,965.42
Birmingham Metropolitan College	1,485,857.84	540,616.94
Hereward College	531,871.04	165,602.62
Dudley College of Technology	1,610,196.29	598,506.63
Halesowen College	544,800.48	198,254.55
King Edward VI College	289,496.67	94,288.34
Sandwell College	1,146,441.12	388,725.17
Solihull College	1,409,183.97	477,052.65
Walsall College	1,352,594.14	528,712.43
Joseph Chamberlain Sixth Form College	239,224.76	85,950.69
Coventry and Solihull Waste Disposal Company Ltd	21,443.87	6,579.79
New Park Village Tenant Management Organisation	11,613.34	4,319.82
West Midlands Growth Company Ltd	36,084.10	22,250.15
Lighthouse Media Centre	1,080.48	535.32
Friendship Care and Housing Ltd	1,540,620.76	159.48
St Columba's Church Day Centre	18,291.31	4,629.62
Sandwell Community Caring Trust	127,600.44	42,351.20
The Penderels Trust Ltd	7,837.95	2,005.77
South Warwickshire Tourism	318.12	101.94
Bushbury Hill Estate Management Board	37,996.96	15,152.65
Brownhills Community Association	10,893.84	2,554.32
Smiths Wood Parish Council	4,621.96	1,377.96
Sickle Cell and Thalassaemia Group	11,191.44	6,367.44
Coventry Sports Trust Ltd	62,295.63	18,792.06
West Midlands Councils	326,600.00	-

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Optima Community Association (Citizen Housing Group)	136,032.60	40,900.36
Delves East Estate Management Ltd	2,224.10	620.45
City of Wolverhampton College	1,138,619.81	373,353.49
Home-Start (Stockland Green/Erdington)	133,931.88	2,191.68
Meriden Parish Council	5,169.49	1,110.48
Wildside Activity Centre	4,116.12	1,217.04
Whitefriars Housing Group (Citizen Housing Group)	1,785,667.68	654,600.84
Balsall Parish Council	-4,000.00	-
Manor Farm Community Association	13,542.00	4,910.00
Bloomsbury Local Management Organisation Ltd	133,680.97	30,514.36
Galliford (UK) Ltd	11,162.99	2,314.86
Lieutenancy Services (WM) Ltd	-321.83	-55.94
Castle Bromwich Parish Council	31,008.68	8,891.46
Steps to Work (Walsall) Ltd	59,490.89	17,169.94
Home-Start (Walsall)	6,436.93	1,983.00
Murray Hall Community Trust	22,274.58	6,936.24
Sandbank Tenant Management Organisation Ltd	11,893.57	3,089.93
Walsall Housing Group	2,843,268.38	1,087,706.10
Amey Highways Ltd	13,469.04	4,924.09
Northern Housing Consortium Ltd	85,759.57	43,960.31
Walsall City Academy - Thomas Telford MAT	192,870.65	58,214.83
WATMOS Community Homes	247,514.30	111,540.17
Voyage Care Limited	2,873.69	877.24
Solihull Community Housing	1,325,048.02	438,443.10
Sandwell Leisure Trust	649,059.68	262,911.39
Grace Academy - Tove Learning Trust	430,012.41	150,323.74
Pell Frischmann Consultants Ltd	8,017.76	1,508.99
Mitie PFI Ltd	12,012.22	1,769.01
Wolverhampton Homes	3,474,214.05	1,184,300.02
Integral UK Ltd (Coventry)	1,595.64	296.52
Black Country Consortium Ltd	221,908.42	103,135.96
Kingshurst Parish Council	2,574.67	614.56
Service Birmingham Ltd	28,807.92	19,549.71
BME United Ltd	28,680.89	9,957.02
Sandwell Academy - Thomas Telford MAT	242,507.53	77,270.02
Dovecotes Tenant Management Organisation Ltd	57,132.00	15,997.10
Midland Heart Ltd	13,359.24	3,678.87
Engie Services Limited	76,002.18	18,089.14
Shireland Collegiate Academy Trust	321,406.52	127,592.66
Enterprise Managed Services Ltd (Solihull)	146,004.84	36,163.94
Q3 Academy - Quaerere Academies Trust	216,595.83	106,741.02
Housing and Care 21 Ltd	299,972.25	71,309.92
Alliance in Partnership (Camp Hill)	2,204.65	433.47
Titan Partnership Ltd	3,761.80	463.07
CTC Kingshurst Academy - Tudor Grange Academies Trust	171,606.14	55,910.04
RSA Academy	179,873.75	76,057.05
BAM Construct UK Ltd	22,188.97	6,335.30

MANAGEMENT AND FINANCIAL PERFORMANCE

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Ormiston Shelfield Community Academy	203,383.39	72,988.50
Tarmac Ltd	144,013.99	41,727.61
Bespoke Cleaning Services Ltd (Wton College)	4,112.03	840.74
Ormiston Sandwell Community Academy	172,301.52	58,556.76
Park Hall Academy- Arden Multi-Academy Trust	148,351.49	44,377.25
E-ACT Heartlands Academy	108,639.26	35,589.34
E-ACT Shenley Academy	107,229.57	36,870.52
ARK St Albans Academy	170,887.54	49,386.23
Agilisys Ltd (Rowley/Smethwick)	1,879.44	1,068.72
KGB Cleaning and Support Services Ltd (Bishop Ulathorne School)	3,384.76	732.90
Sidney Stringer Academy Trust	417,637.01	141,075.80
Amey LG Ltd	895,757.64	276,949.94
King Edward VI Sheldon Heath Academy - KEVI AT Birmingham	168,764.07	58,796.50
E-ACT North Birmingham Academy	117,407.00	35,143.30
Harborne Academy	123,147.17	44,304.84
Arden Academy- Arden Multi-Academy Trust	267,601.08	101,446.30
Balfour Beatty Living Places Limited (Coventry)	36,325.47	8,916.44
SERCO Ltd (Sandwell)	789,654.56	208,336.39
Park Hall Infant Academy.	67,323.30	18,806.05
St Patricks Church of England Primary Academy	39,118.11	11,272.75
Tudor Grange Academy Solihull Trust - Tudor Grange Academies Trust	202,826.99	64,514.08
John Henry Newman Catholic College	187,762.69	73,684.14
Agilisys Ltd (OCOS/WODO/TIPTON)	3,276.00	1,016.04
Windsor High School and Sixth Form - Windsor Academy Trust	318,994.31	113,294.72
Wood Green Academy Trust	169,500.34	57,995.39
Ninestiles An Academy - Summit Learning Trust	472,469.11	150,510.07
Lordswood Girls School and Sixth Form Centre	146,159.38	48,125.71
Ryders Hayes Academy Trust	106,404.08	33,774.16
Kings Norton Girls School and Language College	131,427.49	44,088.94
Shire Oak Academy - The Mercian Trust	219,373.66	63,058.17
Bartley Green School	158,062.36	58,953.61
Blue Coat Church of England School and Music College - Inspire Education Trust	222,967.28	78,064.65
Queen Marys High School - The Mercian Trust	63,832.80	19,917.46
Queen Marys Grammar School - The Mercian Trust	165,705.95	55,129.36
Sutton Coldfield Grammar School for Girls Academy Trust	187,606.45	54,319.47
Whitley Academy	225,406.25	76,489.91
Aston Manor Academy - Equitas Academies Trust	153,554.01	54,993.25
Creative Support Limited	3,213.06	724.25
Heart of England School	137,672.40	40,824.90
Light Hall School	146,983.44	44,180.00
Pegasus Academy - Dudley Academies Trust	110,263.86	37,934.15
Barr Beacon School - Matrix Academy Trust	134,389.66	46,757.97
Woodlands Academy	2,863,624.68	-
Rookery School	97,343.55	29,332.31
Finham Park School Academy	249,409.65	79,773.88
Langley School	167,753.06	50,841.50
Alderbrook School	222,969.07	61,963.74

MANAGEMENT AND FINANCIAL PERFORMANCE

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Lode Heath School	119,121.84	32,695.31
The Westwood Academy - Kenilworth Multi-Academy Trust	131,592.31	40,567.60
Holyhead School	225,793.84	80,652.89
Fairfax School - Fairfax Multi-Academy Trust	235,363.02	79,489.69
The West Coventry Academy	242,624.43	70,187.92
Deanery Church of England School	113,009.64	35,583.80
Plantsbrook School - Plantsbrook Learning Trust	221,890.11	67,435.65
Oldbury Academy	168,925.22	60,460.71
Hillcrest School and Sixth Form Centre	115,228.17	36,005.92
Ormiston George Salter Academy	214,351.36	71,492.34
King Edward VI Camp Hill School for Boys - KEVI AT Birmingham	69,143.85	20,237.73
King Edward VI Camp Hill School for Girls - KEVI AT Birmingham	78,423.45	24,850.13
King Edward VI Handsworth School- KEVI AT Birmingham	93,716.12	26,439.20
King Edward VI Five Ways School - KEVI AT Birmingham	102,564.83	31,310.55
King Edward VI Aston School- KEVI AT Birmingham	110,326.55	35,204.87
Regent Office Care (Henley College)	-10,000.00	-
Beacon Hill Academy - Dudley Academies Trust	183,057.06	61,881.63
Arthur Terry Learning Partnership	825,010.19	270,001.30
The Kingswinford School Academy - Windsor Academy Trust	131,743.96	45,010.75
Nishkam School Trust	127,371.42	51,911.22
Heath Park Academy - Central Learning Partnership Trust	157,781.54	58,242.49
Lawrence Cleaning (St Stephens School)	1,679.04	546.43
The Streetly Academy	256,294.80	84,152.39
NSL Limited (Solihull)	1,911.43	989.85
New Heritage Regeneration Ltd	41,983.44	19,625.28
Ormiston Forge Academy	207,876.91	79,515.63
Earls High School (The) - Stour Vale Academy Trust	148,672.21	49,535.78
Interserve Catering Services Ltd (Smethwick)	36,805.64	7,570.82
Interserve Catering Services Ltd (Rowley)	1,639.24	342.76
Park Hall Junior Academy	88,985.61	25,605.40
Joseph Leckie Academy	277,060.51	82,886.09
E-ACT Willenhall Academy	491,215.20	182,938.60
Hall Green Secondary School - An academy	180,209.00	56,435.27
Rockwood Academy- The Core Education Trust	188,040.29	71,581.35
Birmingham Museums Limited	193,276.28	72,155.21
Bishop Vesey's Grammar School	152,454.58	46,460.01
Mesty Croft Academy	86,742.42	28,547.16
Mytime Active	71,859.24	18,416.74
Wilson Stuart School - Education Impact Academy Trust	307,606.08	108,549.18
Hockley Heath Academy	37,571.92	11,378.72
Warren Farm Primary School	64,296.46	24,411.29
Aldridge School - The Mercian Trust	158,925.86	51,202.85
Moseley Park Academy- Central Learning Partnership Trust	133,833.98	43,221.92
St Johns C of E Primary School	94,833.42	31,756.43
Coundon Court Academy	222,983.33	70,357.79
Barr View Primary & Nursery Academy	105,564.08	33,972.78
Timberley Academy Trust	241,207.00	89,005.45

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Engie FM Limited (Broadway School)	13,484.85	3,251.49
Engie FM Limited (Moseley school)	11,667.31	2,859.42
Engie FM Limited (Waverley School)	11,567.37	2,543.37
Lend Lease Construction (Europe) Ltd (Park View & International School)	7,500.75	2,747.19
Lend Lease Construction (Europe) Ltd (George Dixon School)	4,710.34	1,347.99
Lend Lease Construction (Europe) Ltd (Waverley School)	3,830.56	915.40
Lend Lease Construction (Europe) Ltd (Four Dwellings School)	4,106.24	949.74
Victoria Park Primary Academy - Victoria Academies Trust	185,275.68	65,487.40
Erdington Hall Primary Academy- Summit Learning Trust	53,690.31	15,952.25
Balsall Common Primary Academy - Central Schools Trust	107,035.21	34,872.55
Woodlands Academy of Learning	102,983.60	33,589.55
Acivico (Design Construction and Facilities Management) Ltd	423,465.27	140,295.81
Acivico (Building Consultancy) Ltd	259,893.00	85,333.34
Aston University Engineering Academy Birmingham	104,937.01	40,132.72
Sandwell Community Caring Trust (Sandwell Care Homes)	87,229.13	21,702.83
St Michael's CofE Primary Academy Handsworth - Birmingham Diocesan Multi-Academy Trust	54,787.22	18,309.52
St Mary's C of E Primary Academy & Nursery	86,421.93	23,433.49
Green Meadow Primary School - Excelsior MAT	78,978.07	25,164.26
ARK Tindal Primary Academy	52,869.37	18,354.37
George Dixon Academy	151,732.59	58,742.71
Nansen Primary School- The Core Education Trust	86,074.86	29,848.74
4 Towers TMO Limited	20,300.68	5,567.16
Handsworth Wood Girls Academy - Kevi at Birmingham	131,667.07	41,594.29
Dorington Academy Trust	121,354.89	37,435.22
ARK Kings Academy	168,293.82	56,573.15
Interserve Facilities Management Ltd (OCOS/WODO/Tipton Schools)	20,723.14	4,435.87
Interserve Facilities Management Ltd (Rowley Campus)	9,738.77	2,482.67
St Peters Collegiate C of E Academy Trust	179,938.49	51,489.79
Jubilee Academy Mossley - Academy Transformation Trust	51,403.95	16,397.21
S4E Limited	61,874.28	21,243.87
Nechells Primary E-ACT Academy	40,625.40	11,401.80
Ormiston Academies Trust	329,437.43	194,579.73
East Birmingham Network Academy	87,662.90	35,368.69
Croft Primary Academy - The Elliot Foundation Academies Trust	54,089.15	18,430.99
Lordswood Boys School - Central Academies Trust	33,290.19	10,779.28
Chilwell Croft Academy - Equitas Academies Trust	99,974.54	34,471.33
Lawrence Cleaning Ltd (Parkfield School)	2,302.66	604.08
Goldsmith Primary Academy - Windsor Academy Trust	106,631.87	33,479.02
Kings Rise Academy - The Elliot Foundation Academies Trust	129,649.48	42,544.86
Alston Primary School- Leigh Trust	124,468.46	43,274.79
Greenholm Primary School	100,500.79	32,990.02
Blue Coat Church of England (Walsall) Trust	143,588.85	48,151.32
Caludon Castle School - Castle Phoenix Trust	239,991.27	83,396.84
Percy Shurmer Primary Academy- Academies Enterprise Trust	97,746.84	35,745.39
Woden Primary - Central Learning Partnership Trust	73,367.37	23,819.85
West Walsall E-ACT Academy	114,142.44	38,785.14
Birmingham Ormiston Academy	97,536.20	43,856.59

MANAGEMENT AND FINANCIAL PERFORMANCE

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
ABM Catering Ltd (Bordesley Green)	4,616.95	1,197.79
Places for People Leisure Limited (Harborne Pool)	13,544.55	3,948.30
SIPS Education Ltd	850,968.54	289,415.44
Alliance in Partnership (King Edward VI Sheldon Heath)	7,550.88	1,922.55
Lend Lease Construction (Europe) Ltd (HML Stockland Green and Broadway)	1,130.20	482.00
Engie FM Limited (HM and Stockland Green School)	30,465.73	8,540.89
Aspens-Services Limited (Gosford Park School)	2,460.89	578.43
St Clements C of E Academy Nechells - Birmingham Diocesan Multi Academy Trust	36,922.34	15,018.30
Oasis Community Learning - Blakenhale Junior	20,490.97	9,466.36
Oasis Community Learning - Woodview School	196,781.01	72,205.41
Oasis Community Learning - Blakenhale Infants	83,794.43	25,948.98
Lea Forest Primary Academy - Academies Enterprise Trust	92,704.81	29,120.20
Four Dwellings Primary Academy - Academies Enterprise Trust	64,795.88	23,335.79
Tame Valley Academy - University of Wolverhampton MAT	51,115.99	16,476.64
Shirestone Community Academy - The Elliot Foundation Academies Trust	74,771.87	24,065.03
Oasis Community Learning - Short Heath Primary	93,129.56	28,248.93
Aldersley High School - Amethyst Academies Trust	173,946.65	57,649.77
Yardleys School	147,624.08	60,468.00
Woods Bank Academy- The Elliot Foundation Academies Trust	61,832.10	19,936.49
Billesley Primary Academy - The Elliot Foundation Academies Trust	163,370.09	50,982.47
Merritts Brook E-ACT Primary Academy	39,963.58	12,100.81
St Michael's CE Primary School - Birmingham Diocesan Multi-Academy Trust	108,749.40	28,610.49
Reedwood E-ACT Primary Academy	84,423.01	27,225.68
James Brindley School	298,953.35	115,631.71
Oaklands Primary - Summit Learning Trust	91,407.75	29,381.41
Greenwood Academy - Academies Enterprise Trust	203,424.34	71,382.95
Tudor Grange Primary Academy St James - Tudor Grange Academies	55,210.51	13,915.04
Mansfield Green E-ACT Primary Academy	78,636.69	23,956.77
Parkfield Community School - Excelsior Multi-Academy Trust	145,934.44	54,811.94
City Road Academy - Inspire Education Community Trust	77,000.34	24,769.48
Culture Coventry	-	64,258.63
Bramford Primary School- Griffin Schools Trust	83,019.57	23,327.35
Bristnall Academy - Academy Transformation Trust	173,570.49	63,722.99
Redhill School - Stour Vale Academy Trust	206,958.22	65,707.99
Baverstock Academy - The Leap Academy Trust	6,067,000.00	-
Edgar Stammers Academy - University of Wolverhampton MAT	95,307.70	30,485.41
Knowle CE Primary Academy	120,282.78	32,875.25
St Joseph's - John Paul II Multi-Academy	61,821.33	19,054.22
St Nicholas's - John Paul II Multi-Academy	34,369.74	9,153.06
Holy Cross - John Paul II Multi Academy	31,518.15	7,802.00
Bishop Walsh - John Paul II Multi Academy	166,337.61	47,621.10
Q3 Tipton - Quaerere Academies Trust	143,666.77	59,083.10
St John's and St Peter's CofE Academy- All Saints Multi Academy Trust	43,849.26	12,730.13
St George's CofE Primary School - Birmingham Diocesan Multi-Academy Trust	53,083.73	15,474.97
Acocks Green Primary School	94,419.60	30,891.85
Premier Support Services Ltd (Alumwell Infant School)	996.51	236.22
Washwood Heath Academy- Washwood Heath MAT	363,549.05	131,991.65

MANAGEMENT AND FINANCIAL PERFORMANCE

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Perry Hall Primary School - Perry Hall MAT	77,276.28	29,410.40
Oasis Community Learning - Matthew Boulton	45,257.10	15,771.01
Four Dwellings Academy - Academies Enterprise Trust	139,461.29	46,084.33
Oasis Community Learning - Hobmoor Primary	79,923.34	28,765.09
Timbertree Primary - United Learning Trust	29,709.19	10,128.88
George Betts Academy - The Elliot Foundation Academies Trust	100,692.74	38,342.81
Hamstead Hall Academy - Hamstead Hall Academy Trust	235,589.16	75,862.20
Corngreaves Primary - United Learning Trust	35,826.16	12,303.02
Shireland Hall Academy - The Elliot Foundation Academies Trust	150,777.60	58,071.18
Stretton Primary Academy - Diocese of Coventry MAT	53,698.25	17,596.43
St Laurence's Primary Academy - Diocese of Coventry MAT	80,528.28	24,011.44
Yarnfield Academy-Summit Learning Trust	113,581.57	33,377.20
President Kennedy School- The Futures Trust	338,637.81	111,887.65
Hawkesley Church Primary Academy - Birmingham Diocesan Multi-Academy Trust	47,919.84	11,907.35
Birchills Academy - St Chads Academies Trust	100,738.21	35,584.40
Montgomery Primary Academy - Academies Enterprise Trust	95,328.11	36,146.67
Fairway Primary Academy- University of Wolverhampton MAT	55,277.87	17,926.95
Cheswick Green Parish Council	2,923.08	769.20
Jubilee Park Academy - Summer Park MAT	55,091.37	17,282.89
Ocker Hill Junior Academy- Ocker Hill Academy Trust	52,287.90	17,832.25
Three Spires Academy - RNIB Specialist Learning Trust	68,815.89	22,999.66
Silvertrees Academy Trust	89,503.58	25,237.45
Pegasus Academy - Summit Learning Trust	45,011.73	13,289.64
Alliance in Partnership Ltd (Harborne Primary School)	4,908.01	999.74
St Edmund's Catholic Academy - St Francis and St Clare Catholic MAC	206,472.10	71,744.86
SS Mary & Johns Catholic Primary Academy - St Francis and St Clare Catholic MAC	41,096.16	12,184.79
St Teresa's Catholic Primary Academy - St Francis and St Clare Catholic MAC	29,782.46	10,520.06
Holy Trinity CE Primary Academy (Handsworth) - Birmingham Diocesan Multi-Academy Trust	47,076.99	14,258.28
SS Peter and Paul Catholic Primary Academy and Nursery - St Francis and St Clare Catholic MAC	50,498.56	14,263.52
St Michael's Catholic Primary Academy and Nursery - St Francis and St Clare Catholic MAC	42,462.94	12,740.38
Tiverton Academy - The Elliot Foundation Academies Trust	49,834.42	17,020.66
St Joseph's Academy - St John Bosco Catholic Academy Trust	38,162.35	13,458.23
Bishop Milner Academy - St John Bosco Catholic Academy Trust	126,492.27	44,280.52
St Chads Academy - St John Bosco Catholic Academy Trust	24,554.16	7,185.66
Bentley Heath Church of England Primary School	54,074.11	16,868.03
Reaside Academy - University of Wolverhampton MAT	45,601.25	11,118.78
Aspens-Services Limited (Phoenix Collegiate)	7,925.54	1,771.98
St George's CofE Academy Newtown - Birmingham Diocesan Multi-Academy Trust	54,824.39	17,854.67
St Bartholomew's C of E Primary Academy- Diocese of Coventry MAT	45,816.28	13,976.70
Coventry University Enterprises Ltd	222,660.30	71,759.21
Hill Farm Primary School - Castle Phoenix Trust	110,592.56	34,346.69
The Orchards Primary Academy - University of Wolverhampton MAT	56,412.70	16,877.38
Wednesbury Oak Primary Academy	70,983.48	23,349.71
Robin Hood Primary Academy	112,973.73	39,135.21
Woodhouse Primary Academy - University of Wolverhampton MAT	144,030.11	43,700.04
Broadway Academy	233,542.50	79,044.64
Places For People Leisure Limited (Wolverhampton)	7,313.85	1,555.59

MANAGEMENT AND FINANCIAL PERFORMANCE

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Radford Primary Academy - Sidney Stringer Academy Trust	65,024.19	19,129.06
Ernesford Grange Community Academy - Sidney Stringer Academy Trust	169,483.30	54,252.17
Chivenor Primary School - Griffin Schools Trust	62,016.51	17,933.09
Rivers Primary Academy - Windsor Academy Trust	55,806.51	17,548.74
Walsall Studio School - The Mercian Trust	20,499.70	10,337.78
Waverley Studio College - The Waverley Education Foundation Ltd	20,852.54	9,183.33
Twickenham Primary Academy	116,873.13	39,769.18
Grestone Primary Academy - Hamstead Hall Academy Trust	127,256.84	38,486.34
St Paul's C of E Primary Academy	61,202.77	18,759.45
Kingswood Trust	13,749.04	4,774.48
Leigh Primary School - Leigh Trust	120,682.91	45,541.11
University of Wolverhampton Multi Academy Trust	57,121.79	33,198.95
Wodensborough Ormiston Academy	164,141.27	51,870.87
Ridgewood High School - Stour Vale Academy Trust	113,296.75	33,265.34
Aspens-Services Limited (Courthouse Green Primary School)	5,161.12	1,276.30
Wolverhampton Girls High School	124,517.06	39,691.92
St Judes Academy - St Chad's Academies Trust	90,842.30	32,165.81
Oasis Community Learning - Foundry Primary	39,205.54	13,019.94
Riverbank Academy- Sidney Stringer Academy Trust	173,203.75	50,668.23
Churchill Contract Catering Ltd (Whitehall School)	2,001.88	476.64
Berrybrook Primary School - Perry Hall MAT	39,118.36	13,870.99
Reach Free School Trust	41,812.43	13,012.74
WMG Academy for Young Engineers (Coventry)	70,530.67	24,560.32
Cottesbrooke Infant and Nursery School	96,962.13	26,534.36
Alliance in Partnership Ltd (Unity Cluster)	11,011.03	2,456.38
Atalian Servest Food Co Ltd (Synergy Schools)	6,714.80	1,784.24
APCOA Parking UK Ltd (Wolverhampton)	5,321.49	1,712.40
Smestow School - University of Wolverhampton MAT	143,934.83	44,958.52
Northwood Park Primary Academy - SHINE Academies	109,719.58	39,950.54
Marston Green Infant Academy	99,570.70	37,181.32
Smith's Wood Primary Academy	114,176.63	40,068.97
Police and Crime Commissioner West Midlands	265,862.77	124,195.69
Integral UK Limited (Hill Farm Primary School)	5,556.68	1,679.26
ABM Catering Limited (Aldermoor Farm Primary School)	5,373.98	1,563.91
Northern House School (Solihull)	71,969.00	25,898.85
Taylor Shaw (Great Barr Birmingham)	9,678.84	2,281.13
St Johns C of E Primary Academy - Diocese Coventry MAT	40,024.61	10,209.08
Atalian Servest Food Co Ltd (John Gulson)	1,428.30	379.51
Heathlands Academy - University of Wolverhampton MAT	97,472.62	31,471.52
Wednesfield High Academy - University of Wolverhampton MAT	98,560.25	33,686.09
Albert Bradbeer Primary School- University of Wolverhampton MAT	89,584.45	30,650.04
Alliance in Partnership Ltd (Broadway)	15,663.89	3,862.33
Action Indoor Sports Birmingham CIC Ltd	8,012.28	2,222.64
Pendergate Ltd	4,877.14	1,314.99
Sacred Heart Academy- Romero MAC	79,271.09	25,362.80
St Gregory's School Coventry - Romero MAC	51,339.63	14,022.04
Good Shepherd Primary School- Romero MAC	45,668.48	14,598.51

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
SS Peter and Paul Catholic Primary School - Romero MAC	35,516.64	14,012.17
St John Fisher School - Romero MAC	71,205.98	21,953.19
St Patrick's Catholic School - Romero MAC	57,156.01	17,292.58
Cardinal Wiseman Catholic Academy - Romero MAC	202,751.68	65,616.71
Corpus Christi Catholic Primary School - Romero MAC	62,362.42	23,974.19
All Saints National Academy - St Chads Academy Trust	67,266.45	20,866.45
Alliance In Partnership Ltd (Greenfields Primary School)	3,137.89	821.83
Aspens-Services Limited (Old Church School)	1,764.94	349.17
Aspens-Services Limited (Rough Hay School)	6,694.99	1,587.33
Aspens-Services Limited (Salisbury School)	4,232.67	797.35
Aspens-Services Limited (Aldridge School)	7,267.24	3,531.31
Bournville School - Fairfax Multi-Academy Trust	147,432.67	49,764.18
St Gregory's Catholic Primary Academy- St Catherine of Siena MAC	57,922.54	16,186.97
Our Lady & St Hubert's Catholic Primary Academy- St Catherine of Siena MAC	121,386.62	34,300.29
St Francis Xavier Catholic Primary Academy- St Catherine of Siena MAC	49,282.57	18,345.23
St Philip's Catholic Primary Academy- St Catherine of Siena MAC	62,091.60	21,469.93
The University of Birmingham School	118,600.83	46,425.11
Aspens-Services Limited (Pinfold Street Primary)	1,064.34	308.11
Devonshire Infant Academy - Victoria Academies Trust	113,057.28	34,054.34
Seva Free School- Sevak Education Trust	57,832.29	20,464.56
Devonshire Junior Academy - Victoria Academies Trust	91,286.23	29,220.56
Town Junior School - Plantsbrook Learning Trust	47,038.97	13,632.99
St Brigid's Catholic Primary School - Lumen Christi MAT	93,448.09	27,617.29
St Columba's Catholic Primary School - Lumen Christi MAT	60,441.46	19,096.68
St Joseph's Catholic Primary School - St Nicholas Owen Catholic MAC	44,606.37	10,500.09
Our Lady of Fatima Catholic Primary School - St Nicholas Owen Catholic MAC	53,451.10	16,338.48
St Mary's Catholic Primary School - St Nicholas Owen Catholic MAC	56,338.53	16,319.37
Calthorpe Academy – Thrive Education Partnership	519,894.50	192,041.99
Crestwood School- Invictus Education Trust	104,182.89	33,825.54
Hillstone Primary School	134,206.02	44,377.65
Ellowes Hall Sports College- Invictus Education Trust	231,544.92	77,832.45
Wyndcliffe Primary School- Leigh Trust	124,924.71	41,329.75
Brownmead Academy - Washwood Heath MAT	77,810.46	26,447.08
Manor Primary School- Manor Multi Academy Trust	138,772.53	47,604.52
Aspens-Services Ltd (Sladefield Infants School)	5,375.45	1,063.05
ABM Catering Limited (Allesley)	4,025.95	1,223.33
St Johns C of E Primary Academy - St Chad's Academy Trust	19,791.21	8,386.07
Change Grow Live Ltd	45,569.46	18,986.10
St Martin's C of E Primary School- St Martin's MAT	30,578.47	10,011.83
St Paul's Catholic Primary School - Lumen Christi MAT	70,282.35	20,160.67
St James Catholic Primary School - Lumen Christi MAT	53,406.06	17,762.80
St Joseph's Catholic Primary School - Lumen Christi MAT	40,320.05	15,433.62
St Thomas Aquinas Catholic School - Lumen Christi MAT	209,847.95	68,628.58
Field View Primary School- St Martin's MAT	58,589.02	21,516.58
Futurelets Ltd	133,525.19	43,801.46
Churchill Contract Services Limited (Walsall College)	4,210.42	1,038.36
ABM Catering (St Andrew's CE Infant School)	2,172.22	481.72

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
NSL Limited (BCC)	24,100.80	6,052.03
Jervoise School - Drb Ignite MAT	54,127.88	18,351.13
Wychall Primary school - Drb Ignite MAT	105,853.25	36,876.10
Holy Rosary Catholic Primary Academy - St Francis and St Clare Catholic MAC	52,393.10	14,897.09
St Mary's Catholic Primary - St Francis and St Clare Catholic MAC	92,722.32	27,820.78
Our Lady & St Chad Catholic Academy - St Francis and St Clare Catholic MAC	112,492.41	40,310.00
Corpus Christi Catholic Primary Academy - St Francis and St Clare Catholic MAC	39,580.60	12,308.64
St Thomas CE Academy- All Saints Multi Academy Trust	96,120.02	38,733.94
Birmingham Community Leisure Trust (North East Contract)	432,009.57	109,990.69
Birmingham Community Leisure Trust (South West Contract)	182,819.59	45,794.90
Saltley Academy- Washwood Heath Multi-Academy Trust	206,262.96	69,957.13
Barr's Hill School Academy- The Futures Trust	150,852.58	49,112.53
Alliance in Partnership LTD (Brownhills School)	4,460.27	1,018.47
Places for People Leisure Limited (Sparkhill)	8,808.10	2,157.31
Walsgrave C of E Academy-Inspire Education Trust	76,006.73	25,328.52
Clifford Bridge Academy - Inspire Education Trust	77,485.78	22,882.86
Whittle Academy - Inspire Education Trust	53,396.60	20,286.25
Lyndon Academy- Summit Learning Trust	166,271.21	46,085.96
Waverley School- The Waverley Education Foundation Ltd	238,357.42	84,050.48
Academy Transformation Trust	350,503.05	127,328.91
TnS Catering Management Limited (Potters Green School)	3,874.33	1,022.84
TnS Catering Management Ltd (Moat House School)	5,895.09	1,470.13
Heathfield Primary School-Prince Albert Community Trust	51,316.63	19,604.15
Bloxwich Academy - Matrix Academy Trust	90,510.37	26,218.91
Moor Green Primary Academy - REach2 Academy Trust	56,427.14	18,980.40
Prince Albert Primary School-Prince Albert Community Trust	201,606.06	77,028.05
Beechwood C of E Primary School- DRB Ignite MAT	37,183.67	10,557.78
The British Sikh School- The Khalsa Academies Trust	15,979.26	6,250.27
Northfield Manor Primary Academy- Victoria Academy Trust	103,676.48	35,512.69
ARK Boulton Academy	125,882.15	42,129.65
ABM Catering Ltd (John Shelton Community Primary School)	1,989.89	632.60
Alliance In Partnership Ltd (Coventry South Cluster Group)	12,795.40	3,483.81
The Edge Academy	26,949.41	9,973.99
ABM Catering Ltd - Lodge Farm Junior Mixed & Infant School	507.31	135.44
The Bromley-Pensnett Primary School- DRB Ignite MAT	80,448.98	23,033.65
Manor Way Primary Academy- Windsor Academy Trust	37,587.30	11,664.50
Dickens Heath Parish Council	3,350.76	746.16
West Midlands Construction UTC Trust	42,427.98	16,367.85
Alliance in Partnership Limited (St Matthias School)	1,823.65	428.63
Elston Hall Primary School- Elston Hall Multi- Academy Trust	137,435.19	51,468.02
Sidney Stringer Free Primary School- Sidney Stringer Academy Trust	60,607.69	22,522.93
Elite Cleaning & Environmental Services Ltd	5,893.93	1,423.66
Health Futures UTC	36,502.02	15,103.81
Bickenhill & Marston Green Parish Council	16,632.27	4,263.60
The King Solomon International Business School	77,960.53	26,794.32
Westcroft Sport and Vocational College- Central Learning Partnership Trust	132,068.82	45,087.38
Compass Contract Services (UK) Ltd (Diocese of Coventry Multi Academy Trust)	11,900.80	2,222.91

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
The Romero Catholic Academy	91,345.61	37,528.68
Inspire Education Trust	28,097.05	9,946.10
Aspens-Services Ltd (Bartley Green)	10,120.55	2,456.53
Aspens-Services Ltd (St Peters Collegiate)	22,213.65	4,823.90
Highfields School	208,997.85	73,295.74
Finham Primary School - Finham Park MAT	64,944.18	17,162.15
Engie Regeneration Holdings Ltd	277,765.73	74,026.77
Manor Park Primary Academy - REAch2 Academy Trust	104,131.53	34,424.95
Wates Construction Ltd (West-Central)	319,335.95	83,119.30
Northern House School (City of Wolverhampton)	101,946.54	30,533.22
Pool Hayes Academy- Academy Transformation Trust	153,663.06	52,645.06
Nonsuch Primary School - Birmingham Diocesan Multi-Academy Trust	42,112.71	12,588.54
Grove Primary School - St Martin's Multi Academy Trust	78,555.91	21,769.38
Highfield Junior and Infant School - Prince Albert Community Trust	116,645.60	35,811.50
Dunstall Hill Primary School - Perry Hall MAT	58,969.85	16,530.42
Priory Education Services Ltd	287,135.45	69,909.48
Wates Construction Ltd (East)	875,281.30	233,649.81
Aston Tower Community Primary School- Aston Tower Multi-Academy Trust	93,478.45	28,390.17
Wolverhampton Vocational Training Centre- Central Learning Partnership Trust	30,813.27	13,467.54
Compass Contract Services (UK) LTD (Hall Green Secondary School)	29,081.04	6,208.35
Fortem Solutions Limited (BHAM South)	565,360.50	158,026.34
Alliance in Partnership Ltd (Pedmore Primary School)	3,254.03	730.48
Lodge Farm Primary School- Northwood Park Educational Trust - SHINE Academies	72,213.28	21,001.08
Palmers Cross Primary Academy- Elston Hall Multi Academy Trust	54,588.02	15,413.72
Dodd Group (Midlands) Ltd	44,679.35	12,715.74
Mazars Ltd (Walsall MBC)	5,798.85	2,394.24
Finham Park 2- Finham Park Multi Academy Trust	78,582.78	24,036.60
Prospects Services (Coventry and Warwickshire)	4,736.76	1,473.12
Royal Sutton Coldfield Town Council	40,213.77	17,276.71
Yew Tree Community Junior and Infant School- Inspire Education Community Trust	98,204.43	26,869.28
North Walsall Primary Academy- Academy Transformation Trust	50,704.20	14,777.27
Lyng Hall School- Finham Park MAT	166,638.15	51,956.17
Fibbersley Park Academy - Victoria Academies Trust	144,346.63	37,363.08
Hob Green Primary School- DRB Ignite MAT	83,417.13	23,910.28
Damson Wood Infant Academy - Central Schools Trust	50,235.94	12,857.07
Aspens-Services Ltd (St Peter's Catholic School Solihull)	13,593.27	3,020.54
Streetsbrook Infant and Early Years Academy- Streetsbrook Academy Trust	92,505.20	29,150.66
Princethorpe Infant School- DRB Ignite MAT	59,887.44	18,085.31
The Oval Primary School- DRB Ignite MAT	122,257.27	33,682.33
Audley Primary School- DRB Ignite MAT	225,682.52	59,625.40
Aspens-Services Ltd (Heartlands Academy)	4,633.64	1,087.15
Aspens-Services Ltd (Merritts Brook Academy)	4,518.55	788.95
Aspens-Services Ltd (St George's C of E Academy)	8,662.20	1,894.68
Aspens-Services Ltd (Mansfield Green Academy)	9,291.78	2,004.10
Gossey Lane Academy- Washwood Heath MAT	53,587.90	17,885.86
Leasowes High School- Invictus Education Trust	184,174.40	51,656.38
Aspens-Services Ltd (West Walsall E-ACT Academy)	14,764.43	3,326.69

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Erdington Academy- Fairfax Multi-Academy Trust	210,834.33	61,401.62
Smith's Wood Academy- Fairfax MAT	230,075.67	60,059.78
Summerhill Primary Academy- Summer Park MAT	261,136.72	84,022.29
Conway Primary School- Create Partnership Trust	67,913.68	18,475.15
Greet Primary School- Create Partnership Trust	200,115.09	55,157.23
Alliance in Partnership Ltd (Holy Family Catholic Primary School)	1,058.42	197.35
Alliance in Partnership Ltd (Christ the King Catholic Primary School)	1,065.64	254.81
Alliance in Partnership Ltd (St Thomas More Catholic School)	2,865.32	829.41
Aspens-Services Ltd (Whitgreave Junior School)	5,054.25	1,181.96
Sodexo Ltd (Oasis Community Learning)	25,410.36	7,948.18
West Midlands Combined Authority	-	1,572,869.88
Alliance in Partnership Ltd (Heart of England School)	5,685.05	1,221.33
Edward the Elder Primary - Elston Hall MAT	64,767.68	17,021.47
St Bartholomew's CE Primary School - St Bartholomew's CE Multi Academy Trust	82,240.22	21,944.10
Northern House School (City of Wolverhampton) Primary PRU	32,894.23	10,677.53
Tenterfields Primary Academy- Windsor Academy Trust	39,561.93	12,400.52
Taylor Shaw Ltd (Broadway Academy)	11,099.40	2,768.97
St Francis CE Primary School and Nursery- Fioretti Trust	66,913.50	15,149.88
Aspens-Services Ltd (Hillcrest School)	4,786.85	1,078.37
Hill Avenue Academy- Manor MAT	38,287.30	10,160.49
East Park Academy- Manor MAT	176,448.25	50,382.00
Stanton Bridge Primary School- Stanton Bridge Multi Academy Trust	59,535.07	17,076.92
Cromwell Primary School - Cromwell Learning Community Academy Trust	60,466.25	16,738.22
Broadmeadow Special School- Central Learning Partnership Trust	114,712.94	31,302.34
Hearsall Community Academy - Inspire Education Trust	86,947.75	24,115.00
Bushbury Lane Academy - Reach2 MAT	49,825.22	11,961.99
Quinton Church Primary School - Birmingham Diocesan Multi-Academy Trust	34,087.21	9,256.24
Canterbury Cross Primary School- Canterbury Cross Educational Trust	111,804.14	29,321.69
Cedars Academy- Robin Hood MAT	68,304.69	21,828.57
Courthouse Green Primary School- Triumph Multi-Academy Trust	167,276.14	49,554.43
Premier Support Services Ltd (Yew Tree Community School)	1,611.24	286.98
Great Barr Academy - The Shaw Education Trust	387,174.68	106,846.99
Firs Primary School - Washwood Heath MAT	124,890.19	35,031.51
Topcliffe School - Washwood Heath Academies Trust	97,199.26	25,730.99
Parkgate Primary School - The Futures Trust	179,106.30	43,145.65
Phoenix Academy - Academy Transformation Trust	47,554.33	13,606.29
Westminster Primary School - Westminster Academy Trust	89,337.46	25,436.71
Bordesley Village Primary School - Cromwell Community Learning Trust	62,775.40	15,236.61
Stirchley Primary School - Evolve Education Trust	56,078.28	13,747.46
Aspens-Services Ltd (Joseph Leckie Academy)	17,834.20	3,453.86
Keresley Grange Academy - The Futures Trust	76,186.32	21,524.84
Heart of Birmingham Vocational College	100,352.53	23,949.90
Miquill Catering Ltd (Colton Hills)	4,962.39	832.12
Miquill Catering Ltd (Woodfield Junior)	12,843.56	2,701.03
Colley Lane Primary Academy - Windsor Academy Trust	127,978.30	39,449.90
Moreton School - Amethyst Academy Trust	166,545.04	50,738.92
Cockshut Hill School - Summit Learning Trust	222,599.85	68,042.06

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Chandos Primary School - The Elliot Foundation Academies Trust	126,999.39	36,602.73
Woodside Community School and Little Bears Nursery - Hales Valley Multi-Academy Trust	114,252.25	31,840.83
Lutley Primary School - Hales Valley Multi-Academy Trust	106,754.09	30,073.46
Aspens-Services Ltd (St Martin's MAT)	6,707.43	1,424.36
Lapal Primary School - Hales Valley Multi-Academy Trust	53,902.27	16,029.11
Sandwell Children's Trust	2,313,338.09	959,069.87
Caterlink Ltd (John Paul II Multi Academy)	19,782.94	4,224.18
Murray Hall Community Trust (Rowley and Tipton)	3,999.40	1,045.02
Churchill Contract Services Ltd (Finham Park MAT)	18,278.56	3,318.02
King Edward VI Handsworth Grammar School For Boys - Kevi at Birmingham	143,712.69	41,455.22
The Bridge School - Forward Education Trust	142,764.32	39,158.19
Hodge Hill Primary School - Create Partnership Trust	81,987.92	21,022.20
Brays School - Forward Education Trust	352,875.40	107,465.11
Hallmoor School - Forward Education Trust	210,873.33	52,772.47
Compass Contract Services UK Ltd (Arthur Terry LP)	34,993.15	7,319.40
Dame Elizabeth Cadbury School - Matrix Academy Trust	119,089.10	34,288.14
Matrix Academy Trust	104,165.11	30,683.33
Caterlink Ltd (The Futures Trust)	11,444.53	2,417.72
Foxford Community School - Castle Phoenix Trust	257,476.72	66,354.22
WMG Academy for Young Engineers (Solihull)	49,181.16	12,842.78
Aspens-Services Limited (Fairfax Mat)	30,924.78	7,548.85
Greenwich Leisure Limited	324,743.07	82,822.04
Turves Green Primary School - Excelsior Multi Academy Trust	90,391.77	23,262.98
Thorns Collegiate Academy - Shireland Collegiate Academy Trust	117,705.82	33,629.51
Mellors Catering Services (Grestone Academy)	4,975.86	950.27
St Stephen's Church of England Primary School - St Stephen's Church of England MAT	47,468.27	12,497.06
Holyhead Primary Academy - Shireland Collegiate Academy Trust	27,651.37	7,394.99
Parkfield Primary School - St Stephen's Church of England MAT	38,954.29	10,940.57
Tile Cross Academy - Washwood Heath MAT	130,836.81	35,063.55
Caldmore Primary Academy - Academy Transformation Trust	105,838.57	28,839.92
Action for Children (West Bromwich and Wednesbury)	17,065.83	5,182.50
Action for Children (Smethwick and Oldbury)	21,557.41	5,561.47
Aspens-Services Ltd (Merridale Primary School)	1,900.53	397.48
Aspens-Services Ltd (Bantock Primary School)	4,603.18	1,016.81
Aspens-Services Ltd (Lanesfield Primary School)	3,527.64	644.57
Aspens-Services Ltd (Foxyards Primary School)	621.64	159.77
Stoke Park School - The Futures Trust	172,662.74	49,603.07
KCLS Ltd (St Anne's Primary School)	1,216.24	247.05
Churchill Contract Services Ltd (Wodensfield Primary School)	2,985.93	617.45
Churchill Contract Services Ltd (Stoke Park School and Community Technology College)	7,386.63	1,499.09
Coventry College	686,383.94	246,059.43
Netherbrook Primary School - Learning Link MAT	127,514.60	33,461.42
Dudley Wood Primary School - Learning Link MAT	90,978.69	23,086.12
Ormiston SWB Academy	242,167.29	76,540.40
Sledmere Primary School - Learning Link MAT	127,652.66	35,621.06
Compass Contract Services (UK) Ltd (Moseley School)	2,968.86	661.91
Kates Hill Primary School - Learning Link MAT	121,127.82	32,646.11

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Woodfield Primary School - St Bartholomew's COE MAT	92,617.62	25,435.64
Woodfield Junior School - St Bartholomew's COE MAT	12,662.00	3,816.52
Compass Contract Services (UK) Ltd (Wednesfield High School)	6,284.08	1,329.15
The Link Academy - Dudley Academies Trust	203,012.09	53,416.20
St James Academy- Dudley Academies Trust	138,686.01	34,685.37
Birmingham Diocesan Multi-Academy Trust	48,458.22	16,729.34
The Sixth Form College - Summit Learning Trust	244,872.45	77,285.44
T(n)S Catering Management Ltd (Fibbersley Park School)	11,701.10	2,339.52
Olive Hill Primary School - Stour Vale Academy Trust	73,430.54	19,691.70
Caterlink Ltd (Stoke Park School)	5,901.63	1,218.31
Cardinal Newman Catholic School - Holy Cross MAC	139,724.53	35,795.54
Goldthorn Park Primary - Elston Hall MAT	69,739.31	17,947.13
Caterlink Ltd (Romero Multi Academy)	25,050.40	4,802.80
Ormiston NEW Academy	171,971.42	48,411.66
LGPS Central	319,382.64	123,317.31
Churchill Contract Services Ltd (Moat House Primary School)	3,290.88	693.47
Priory Primary School - Hales Valley MAT	127,244.42	34,763.44
Hurst Hill Primary School - Hales Valley MAT	70,903.88	18,400.25
Netherton COE Primary School - Diocese of Worcester MAT	95,812.84	24,442.28
Small Heath Leadership Academy - STAR Academies	181,121.35	52,177.04
Leigh COE Primary Academy - Diocese of Coventry MAT	54,264.08	15,272.69
The Active Wellbeing Society Limited	36,091.45	10,022.72
OCS Group UK Ltd (Highfields and Pennfields)	16,821.60	2,905.10
Compass Contract Services (UK) Ltd (Uplands Junior School)	4,739.63	863.08
Birmingham Children's Trust Ltd	-	3,419,313.21
Jewson Limited (Dudley MBC)	18,324.11	5,053.00
D'Eyncourt Primary School - Central Learning Partnership Trust	55,436.18	14,388.12
Accuro FM Limited (Hall Green Secondary School)	3,580.52	723.76
ICE Creates Limited (Coventry City Council)	8,641.59	1,502.24
Churchill Contract Services Ltd (Finham Park School)	6,601.87	1,418.36
Change Grow Live (Walsall MBC)	3,434.23	743.24
Villiers Primary School - SHINE Academies	105,208.82	32,332.02
City Academy - The Core Education Trust	51,917.10	17,003.28
Jewellery Quarter Academy - Core Education Trust	56,480.60	21,048.66
Central Academy - The Core Education Trust	61,832.87	19,553.49
Arena Academy - The Core Education Trust	131,278.25	34,231.31
Ark Victoria Academy	147,406.59	53,087.77
St Thomas More Catholic Academy - Holy Cross MAC	54,279.78	13,317.69
Richard Lee Primary School - Castle Phoenix Trust	136,758.97	36,319.43
Woodthorne Primary School - Perry Hall MAT	59,843.65	15,330.19
Aramark Limited (Walsall College)	7,652.10	1,336.16
Alliance in Partnership Ltd (Holy Trinity C of E Primary School)	8,417.94	1,924.00
Bishop Ullathorne Catholic School - Holy Cross MAC	106,852.69	28,920.50
Alliance in Partnership Ltd (Edgewick Primary School)	5,569.49	1,343.52
Christ The King Catholic Academy - Holy Cross MAC	52,758.49	13,192.85
St Elizabeth's Catholic Academy - Holy Cross MAC	39,858.42	10,843.85
St Augustines Catholic Academy - Holy Cross MAC	54,709.41	14,921.39

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

Employer	Employer's contributions	Employees' contributions
Miquill Catering Ltd (Acocks Green Primary School)	12,970.25	2,858.05
Tameside Primary Academy - Shireland Collegiate Academy Trust	125,602.64	37,838.71
Coppice Performing Arts School - Central Learning Partnership	111,648.32	36,927.65
St John Vianney Catholic Primary School - Holy Cross Academy	20,524.21	5,308.68
Aspens-Services Ltd (Maney Hill Primary)	1,969.94	528.56
PeoplesFuture Limited	19,185.52	6,652.18
Aspens-Services Ltd (Blue Coat C of E Academy)	3,247.07	644.75
Aspens-Services Ltd (Whitgreave Infant School)	4,093.04	1,133.26
Cleantec Services Ltd (Four Dwellings Primary Academy)	4,596.14	1,344.57
Dudley Academies Trust	21,081.59	12,594.27
St Margaret's C of E Primary School- Birmingham Diocesan Multi-Academy Trust	55,142.63	13,553.75
The Camphill Village Trust Ltd (Dudley MBC)	11,199.96	1,723.08
Holy Trinity Catholic School - St Teresa of Calcutta MAC	145,675.03	44,359.69
St Thomas' C of E Primary School - Manor MAT	22,557.16	6,164.90
St Alban's C of E Primary School - Manor MAT	24,251.50	6,538.62
Archbishop Ilsley Catholic School - St Teresa of Calcutta MAC	213,259.03	60,527.74
The Pedmore High School - Invictus Education Trust	118,658.42	29,792.60
Aspens-Services Ltd (Lordswood Girls School)	21,826.73	4,964.24
Birchfield Primary School - Prince Albert Community Trust	144,797.09	37,208.57
Wilson Stuart UCB Partnership Trust	68,138.83	20,540.64
Solihull Alternative Provision Academy	68,414.57	24,467.93
Princethorpe Junior School - DRB Ignite MAT	86,983.19	21,077.49
Titan Aston Academy - Titan Education Trust	23,957.16	8,579.13
Bellrock Property and Facilities Management Ltd (Tudor Grange Academies Trust)	11,230.84	3,459.72
SS Mary & John Catholic Primary School - John Paul II Multi-Academy	98,860.44	28,850.85
Ulverley School - Robin Hood MAT	15,712.07	4,824.95
Yenton Primary School - Robin Hood Multi Academy Trust	57,965.32	15,794.92
Mellors Catering Services (Kingswinford Academy)	5,124.51	1,304.34
Churchill Contract Services Limited (Langley School)	4,601.51	1,321.24
Brookfields Primary School - Create Partnership Trust	63,244.11	18,744.82
Aspens-Services Ltd (Yardleys School)	10,692.81	1,855.26
Marlborough Infant School - Leigh Trust	116,490.11	33,538.48
Marlborough Junior School - Leigh Trust	39,451.08	10,686.47
SS Peter & Paul Catholic Primary School - John Paul II Multi-Academy	46,652.33	12,098.42
The Ladder School - The Mercian Trust	24,883.57	10,485.28
Holy Souls Catholic Primary School - St Teresa of Calcutta MAC	97,461.51	26,412.87
Busill Jones Primary School - SHINE Academies	16,053.81	4,454.42
Springfield Primary Academy - Reach2 Academy Trust	67,825.60	22,291.38
Trinity C of E Primary Academy - St Chads Academy Trust	105,008.47	35,135.15
CU Recruitment and Admissions Limited	245,463.99	73,586.07
Pearl Hyde Community Primary School - Finham Park MAT	29,935.62	8,289.04
Greater Birmingham and Solihull Local Enterprise Partnership	87,431.15	36,298.74
King Edward VI Balaam Wood Academy - KEVI at Birmingham	45,364.01	13,932.30
DRB Ignite Multi-Academy Trust	36,952.59	21,209.64
Colmers Farm Primary School - Excelsior Multi-Academy Trust	117,838.56	33,062.91
Northfield Road Primary School - Stour Vale Academy Trust	80,838.92	22,693.69
Shireland Technology Primary School - Shireland Collegiate Academy Trust	11,112.03	3,816.60

MANAGEMENT AND FINANCIAL PERFORMANCE

CONTRIBUTIONS RECEIVABLE BY EMPLOYER

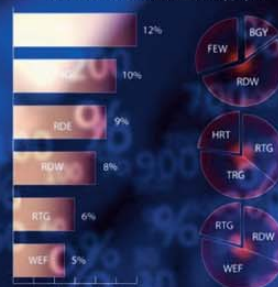
Employer	Employer's contributions	Employees' contributions
West Bromwich Collegiate Academy - Shireland Collegiate Academy Trust	21,132.47	6,927.02
Tudor Grange Primary Academy Yew Tree - Tudor Grange Academies Trust	53,926.66	14,293.78
Holy Cross MAC - Central Office	11,539.28	5,789.75
Sacred Heart Catholic School - John Paul II Multi Academy	47,365.00	12,354.71
Ham Dingle Primary Academy - United Learning Trust	33,227.28	10,326.47
St Barnabas C of E Primary School- Fioretti Trust	56,715.68	14,591.62
Sutton Park Primary School - Prince Albert Community Trust	22,704.46	6,876.77
The Olive School - Small Heath - Star Academies	23,755.88	6,065.56
St Edmund Campion Catholic Secondary School - John Paul II Multi-Academy	12,580.68	3,371.91
St Thomas More Catholic Primary School - Lumen Christi Catholic Multi Academy	47,155.99	12,696.05
Pheasey Park Farm Primary School - Elston Hall Multi-Academy Trust	26,186.35	7,454.22
Blowers Green Primary School - Dudley Academies Trust	9,319.68	2,674.93
Cherry Tree Learning Centre - The Skylark Partnership	14,904.24	3,314.15

TYU division
FRT division

Distribution marketing participation in the securities market.



Distribution of the securities market key players



	TYU division		FRT division	
GHT	254	550	254	415
RDW	650	320	754	154
TRG	241	450	144	174
RTG	254	650	657	274
WEF	784	145	124	759
HRT	453	784	954	345

Distribution of market share among the major industry players



Projected sales of main products in 2013



Projected sales of main products in 2013



Share of market activity



Passive market share



Changes in the activity of the active and passive market is expected. Established position will be in various market segments.

INVESTMENT POLICY AND PERFORMANCE

- 67 Investment Strategy
- 75 Top Twenty Equity Holdings and Top Twenty Indirect Holdings
- 76 Responsible Investment
- 87 Assets Held as at 31 March 2020

INVESTMENT STRATEGY



Jill Davys



Tom Davies

The investment strategy of the Fund is set and implemented in accordance with the *Investment Strategy Statement* incorporating the Fund's investment beliefs. The core objectives are to achieve target investment returns, ensure the solvency of the Fund and enable the payment of pensions to members over the long term.

INVESTMENT POLICY

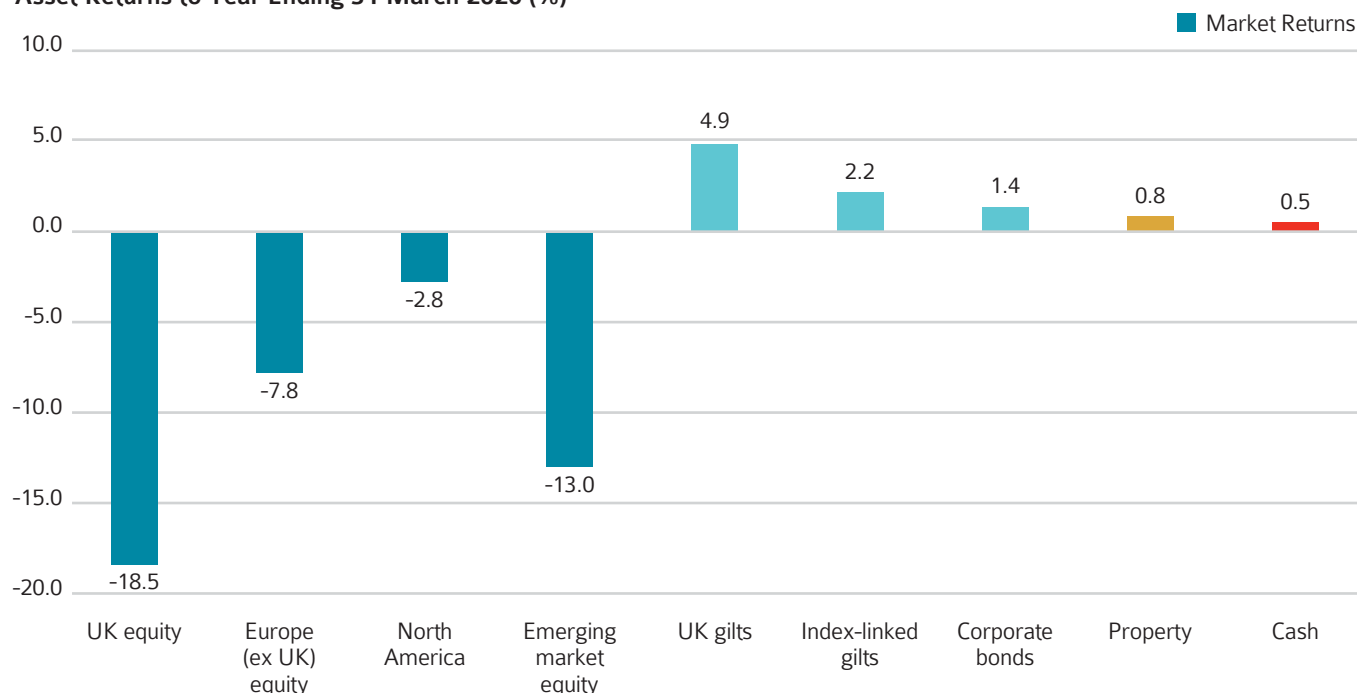
At the beginning of the period, the market value of the Fund's net assets was £15.7 billion. By the end of March 2020, the value of those assets had fallen to £15.3 billion, a fall of 2.5%. This reflected sharp falls in investment markets experienced in the final quarter of the financial year, as a result of the global pandemic, Covid-19, resulting in most asset classes seeing investors sell down holdings as economies were put on hold due to lockdown measures being put in place around the globe.

The value of the Fund also reflects the merger during the year of the West Midlands Integrated Transport Authority Pension Fund (WMITA PF) with the Main Pension Fund, which saw the former

employers of WMITA PF become separate admission body funds within the Fund, maintaining separate investment strategies reflecting their different liability and risk profiles as closed and mature memberships in the Fund.

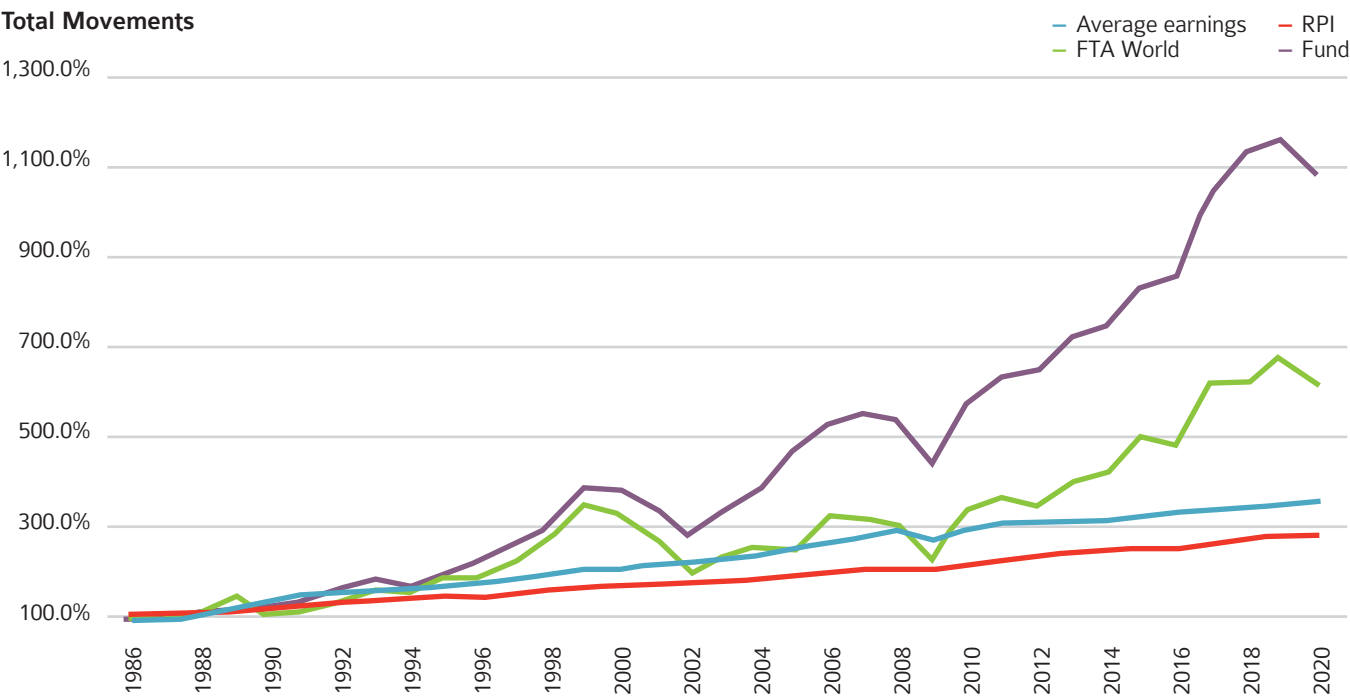
Over 2019, most major equity markets delivered returns of between 15-30% and bond markets also saw strong positive performance. However, the onset and subsequent spread of Covid-19 profoundly affected global markets in the final quarter of 2019-2020, offsetting and countering the gains of the previous calendar year. Returns for the major asset classes for the year are shown below:

Asset Returns to Year Ending 31 March 2020 (%)



INVESTMENT STRATEGY

The graph below illustrates the cumulative movement of the Fund’s total asset value since 1986 resulting from the implementation of investment policies, market movements and net cash inflows.



The Fund was negative in terms of cashflow from contributions and investment income compared to benefits paid out to scheme members. However, this reflected the impact of advance payments made by a number of the large employers in 2017/18 following the triennial actuarial valuation in 2017, meaning higher levels of contributions in year one following the valuation but lower levels in the two subsequent years.

INVESTMENT STRATEGY

ASSET ALLOCATION

The following tables provide a summary of the asset distribution for the Main Fund and two separate admission body sub-funds for the year ended 31 March 2020 compared with the strategic targets agreed by the Pensions Committee in operation during the financial year 2019-20.

The Main Fund's closing market value of £14.7 billion reflects both the net investment and depreciation of investments during the period with the overall change in market value of investments being a negative £0.75bn over the year.

Asset Allocation as at 31 March 2020

Asset class	Value (£m)	Fund allocation %	Policy target %	Difference %
Growth				
Quoted equities	7,243	49.0	48.0	1.0
Private equity	1,228	8.3	10.0	-1.7
Special opportunities	210	1.4	2.0	-0.6
Currency hedge	(77)	-0.5	n/a	n/a
Total growth assets	8,604	58.2	60.0	-1.8
Stabilising				
UK gilts	348	2.4	2.0	0.4
Index-linked gilts	834	5.7	5.0	0.7
Cash	567	3.8	2.0	1.8
Corporate bonds	429	2.9	2.0	0.9
Cashflow matching fixed interest	297	2.0	3.0	-1.0
US TIPS	308	2.1	0.0	2.1
Total stabilising assets	2,783	18.9	14.0	4.9
Income assets				
Specialist fixed interest	437.1	3.0	3.5	-0.5
Emerging market debt	610	4.1	3.5	0.6
Property	1,310	8.9	10.0	-1.1
Insurance-linked funds	227	1.5	3.0	-1.5
Real assets and infrastructure	797	5.4	6.0	-0.6
Total income assets	3,381	22.9	22.6	-3.1
Total	14,769	100.0	100.0	-

The tables below set out the former WMITA PF employers, now two separate admission body funds within the main WMPF, given the nature of these funds they adopt a very different profile to the Main Fund and operate with separate investment strategies reflecting the closed status of the funds and the relative maturity profile:

Separate Admission Body Fund (WMTL)

Asset class	Value (£m)	Fund allocation %
Equities	62.2	13.4
Diversified growth funds (DGFs)	90.2	19.6
Total growth	152.4	33.0
Fixed interest	34.6	7.6
Multi-asset credit	40.8	8.9
LDI	0.0	0.0
Cash	2.9	0.6
Total income and stabilising	78.3	17.1
Prudential buy in*	229.4	49.9
Total	460.1	100.0

Separate Admission Body Fund (PBL)

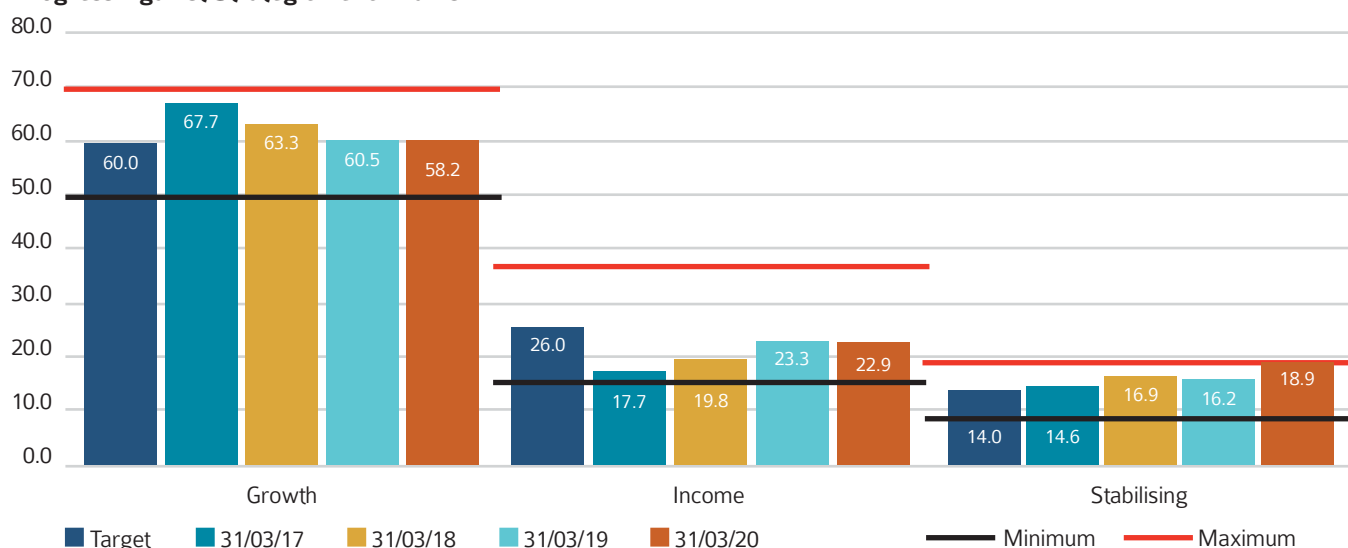
Asset class	Value (£m)	Fund allocation %
Equities	2.5	14.2
Total growth	2.5	14.2
Fixed interest	10.5	59.8
Multi-asset credit	4.5	25.5
LDI	0.0	0.0
Cash	0.1	0.6
Total income and stabilising	15.1	85.8
Total	17.5	100.0

INVESTMENT STRATEGY

MAIN FUND 2020 REVIEW

During the financial year, and in conjunction with the triennial actuarial valuation, the Fund undertook an investment strategy review, incorporating portfolio risk analysis provided by the Fund's investment consultant and reviewed with the Fund's Investment Advisory Panel, prior to approval by Pension Committee in March 2020. Changes to the strategy and target weight will be developed by asset class and implemented over 2020 and 2021. However, during the 2019-2020 financial year the portfolio was managed and monitored in accordance with the policy targets and ranges in place at the start of the year. All main asset classes closed within their wider strategic risk bands, the table below shows the movements within the strategic benchmarks over the year and the period since the last formal strategic review which took place in conjunction with the 2017 actuarial valuation. During the year allocation and positioning was adapted to reflect both longer term strategic weights and short-term risks and opportunities.

Progress Against Strategic Benchmarks



The investment strategy for the Fund is determined in accordance with the regulations (LGPS - Management and Investment of Funds - Regulations 2016) and supporting statutory guidance, with details documented and published within the Fund's Investment Strategy Statement. Allocations to growth assets have reduced and those to income generating assets have increased since the 2017 review, noting the objective to increase income from the portfolio as the liabilities and pension payments out of the Fund continue to increase. Stabilising assets increased towards to top end of the range as the portfolio was positioned defensively in response to ongoing geopolitical and economic uncertainty and risk of market falls. Positioning decisions during the year helped to mitigate asset falls in the last quarter of the year.

Since launch of LGPS Central Ltd, the investment pool company for the Central pool, and initial transfer of internally managed equity funds of £5.3bn in April 2018, the Fund has transitioned further assets into bespoke pooled sub-funds. The global active equity sub-fund and following the year end has also invested into the newly launched corporate bond fund. During the year and working closely with LGPS Central Ltd and partner funds the Climate Factor Fund was launched providing partner funds with access to a lower carbon alternative to vanilla passive tracking funds and the Fund took the opportunity to switch 10% of the portfolio into the new Climate Factor Fund. The Fund continues to look for opportunities to further its strategic asset allocation through the investment pool where opportunities arise.

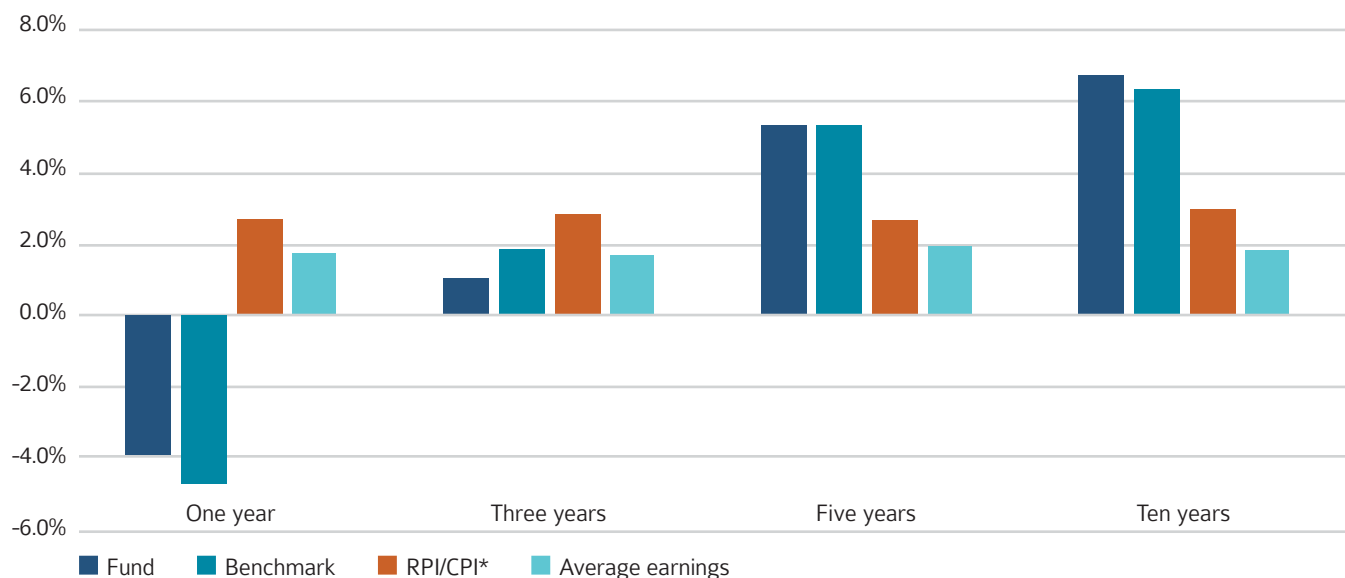
In addition to the investment in the new Climate Factor Fund, the Fund also made its first investment into a sustainable equity mandate following the work to set up a sustainable equity framework for the LGPS Central pool by West Midlands Pension Fund. The Fund reduced exposure to UK equities in the early part of the year due concerns over the economy and Brexit, investing the proceeds in the dividend factor fund run by LGPS Central Ltd. The currency hedging positions continued to be volatile over the year and on the back of sterling strength following the change of Prime Minister and reduced concerns for a hard Brexit, the Fund took the opportunity to close out or reduce hedging positions.

In addition, the Fund looking to reduce risk following strength in equity markets reduced exposure to global equities to invest further in defensive assets in the shape of US Treasury Inflation Protection Securities (US TIPs). Given the strong performance of growth assets over recent years the Fund has taken the opportunity to decrease exposure in this area and build in some more downside protection with the allocation to income and stabilising assets. The Fund also continued to make commitments to infrastructure investments over the year, noting the long term potential for this asset class to deliver capital growth and income.

INVESTMENT PERFORMANCE

The Fund's returns over one, three, five and ten years compared to its bespoke benchmark, retail prices index (RPI) and average earnings are illustrated in the chart shown below:

Comparative Returns Over One, Three, Five and Ten Years to 31 March 2020

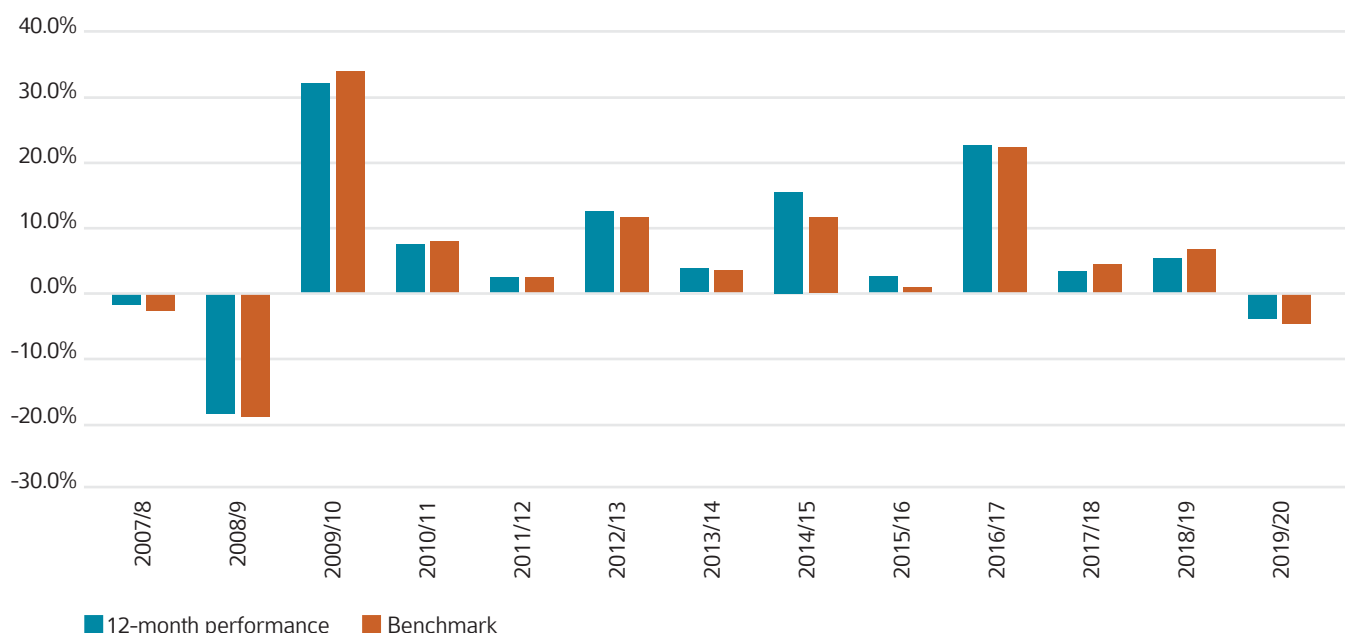


In the year to 31 March 2020, the Fund delivered a return of -3.9%, compared to its bespoke benchmark of -4.7%, with the negative returns reflecting the sharp sell-off during the final quarter of the year. Equity markets fell on the back of concerns as economies went into lockdown and investors looked to take liquidity out of markets where they could find it, although following the year end, markets have seen a strong recovery as Central Banks, have increased supply of money into the economy with bond purchases and have emphasised that they would take whatever action was necessary.

Performance against the benchmark over the medium to longer term, shows the Fund trailing benchmark over the three-year period (-0.8% compared to benchmark, but in line over the five-year period). Longer term returns against the benchmark remain positive with a return of 6.6% per annum achieved by the Fund in the ten years to 31 March 2020, ahead of the bespoke benchmark return of 6.2% per annum.

Longer term individual annual returns are shown in the table below:

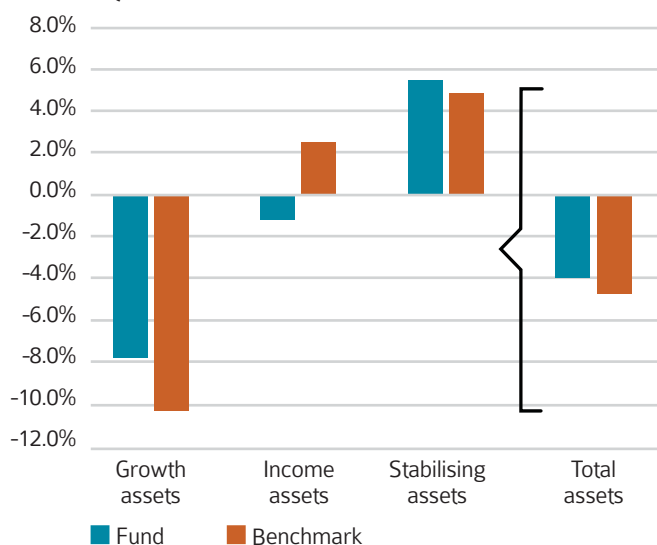
Annual Performance Versus Benchmark



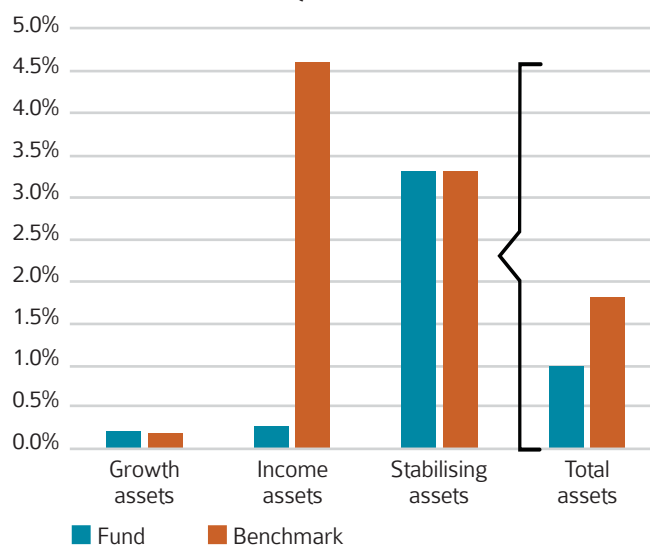
INVESTMENT PERFORMANCE

The following graph illustrates the returns of the Fund's main asset classes for both the year and three years ended 31 March 2020 and compares them to the returns from its bespoke benchmark.

Fund Returns - Year Ended 31 March 2020

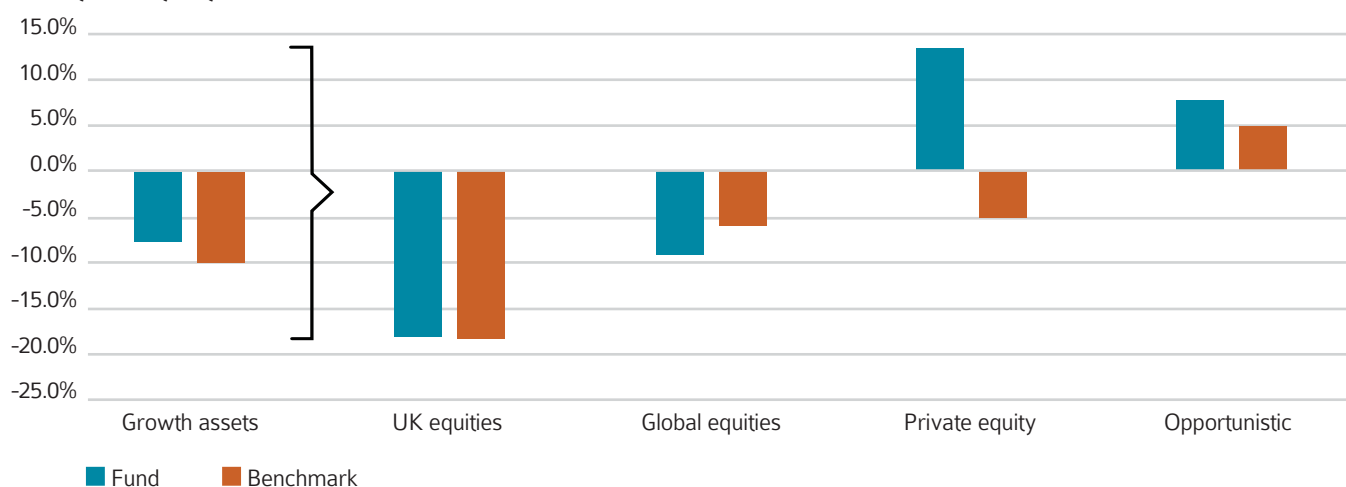


Three Year Performance to 31 March 2020



The graph below illustrates the returns of the different investment categories within the growth asset portfolio during the last financial year.

Growth Asset Returns - Year Ended 31 March 2020



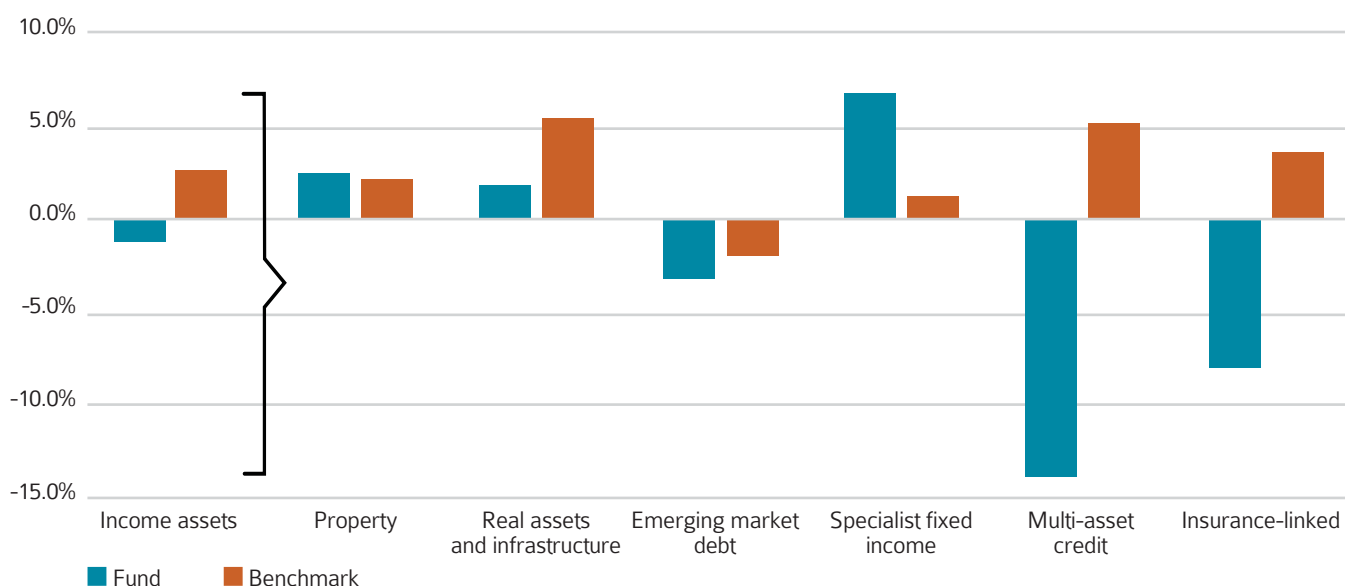
For the first three quarters of the year, equity markets around the globe remained in positive territory and only as the realities of the full impact of Covid-19 started to result in economies going into lockdown, did equity markets suffer a significant setback. The UK market was the worst performing over the year impacted not just by Covid-19 but also Brexit and political uncertainties, with the Fund's exposure in passive equities, the performance was in line with the benchmark. The global equity performance was below benchmark due to the active equities underperforming over the year and emerging equities markets exposure. During the year the Fund transitioned approximately 10% of the portfolio from the passive market capitalisation LGPS Central Ltd ACS sub-fund to the new Climate Factor Fund when launched in October 2019. The Fund also commenced the transition to sustainable equity mandates. Both the Climate Factor Fund and the sustainable equity mandates help support the Fund with meeting its climate change targets, along with the opportunity to deliver returns at least in line with broader markets.

Elsewhere in the growth segment of the portfolio, the private equity performance appears exceptionally strong, although it is acknowledged that performance here typically lags the broader markets. Following on from the private equity consolidation from the previous year, the Fund did not make any major changes to the portfolio during the year, although drawdowns commenced on the LGPS Central Ltd 2018 vintages and overall in accessing opportunities in this market continues to focus on co-investments in this area to help contain costs.

INVESTMENT PERFORMANCE

The graph below illustrates the returns of the different income asset classes:

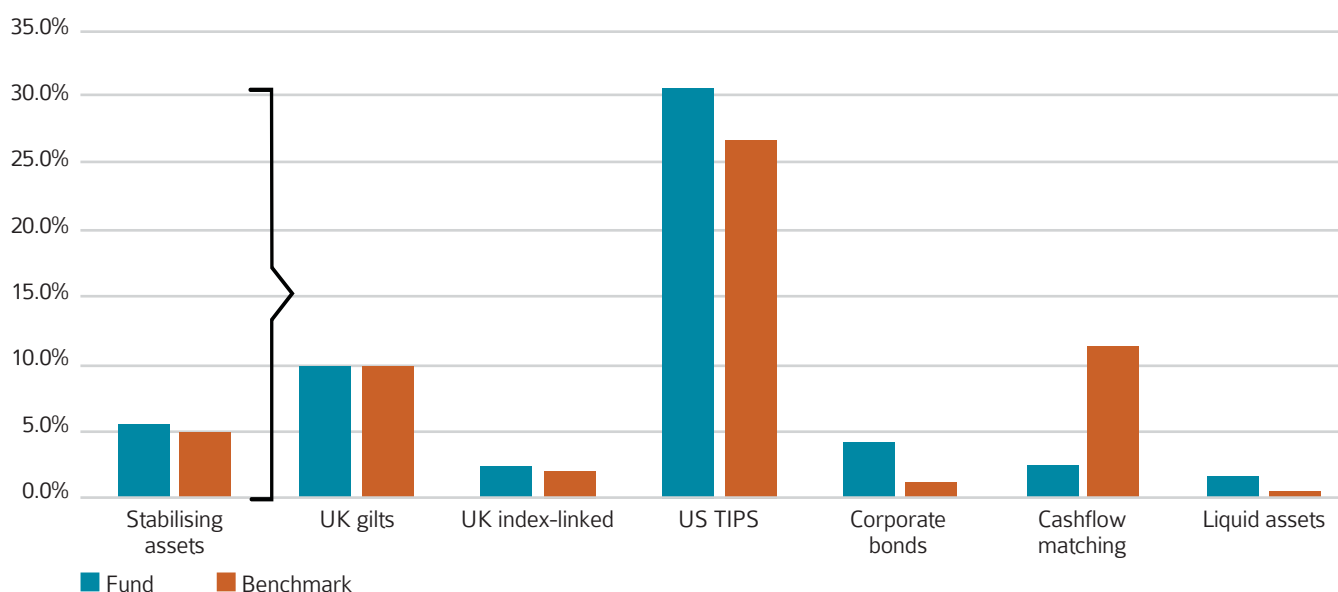
Income Asset Returns - Year Ended 31 March 2020



Within the income portfolio, both property and the specialist fixed income segments of the portfolio performed well against their benchmarks. Elsewhere in the income assets, performance was particularly impacted by the almost indiscriminate selling off in credit markets in the final quarter of the year with multi-asset credit facing big drawdowns and hence underperforming compared to the cash plus benchmark. Performance in the infrastructure and real assets sector was mixed, with assets exposed to economically sensitive sectors, such as transport being adversely impacted by Covid-19. The Fund's exposure to insurance linked assets were again affected by natural disasters resulting in insurance claim losses.

The graph below shows the returns from the Fund's investments that make up the stabilising assets and the performance over the last year:

Stabilising Asset Returns - Year Ended 31 March 2020



Overall most asset sections within the stabilising portfolio performed in line or slightly above benchmark with particularly strong performance in the US Treasury Inflation Protection Securities as investors sought out defensive assets. The cashflow matching assets which were behind benchmark over the year were more exposed to corporate bonds which experienced a sell off compared to the government bond benchmark against which they are measured against.

INVESTMENT POLICY AND PERFORMANCE

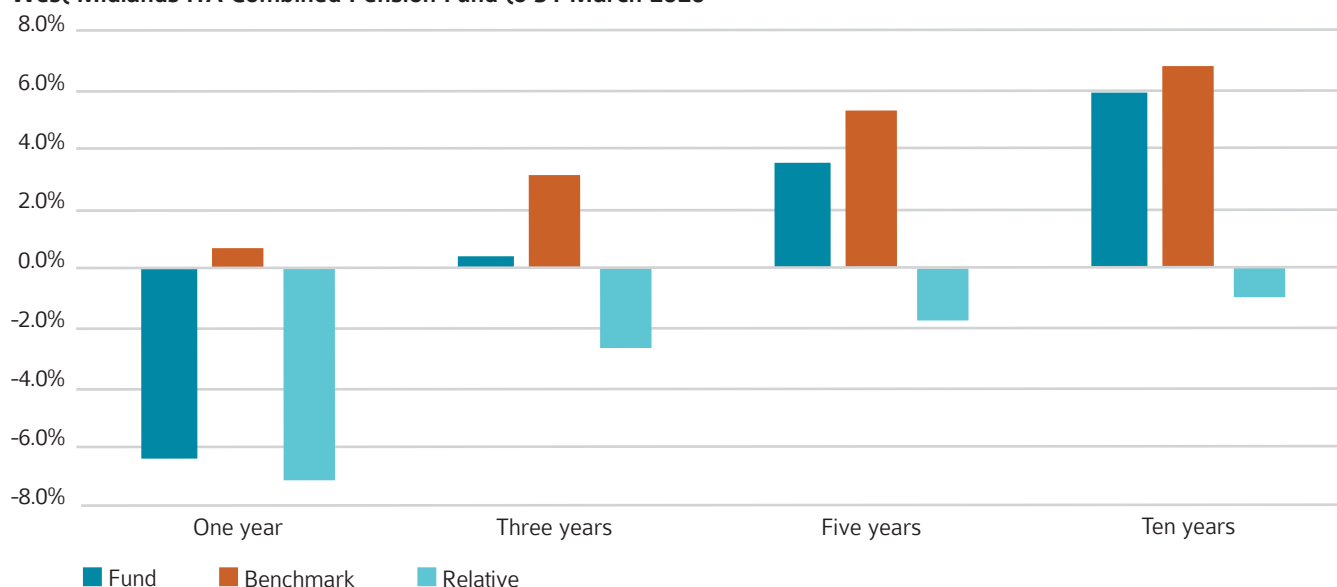
INVESTMENT PERFORMANCE

ADMISSION BODY SUB-FUNDS 2020 REVIEW

As noted earlier the former West Midlands Integrated Transport Authority Pension Fund (WMITA PF) merged with the Main West Midlands Pension Fund with effect from April 2019. However, the effect of the merger was to separate the two underlying employers in the Fund into two separate admission body sub-funds ending the relationship and interdependency. For reporting purposes during the year until such time as the merger was formalised, reporting continued to be undertaken on a combined basis.

During the year to 31 March 2020, the former WMITA PF underperformed its benchmark by a significant margin. The nature of the portfolio being relatively concentrated experienced a sharp drawdown in the final quarter of 2019-20. Over the 12-month period the fund underperformed the benchmark by 7.2%, this was mainly due to the underperformance of the diversified growth (DGF) and fixed interest portfolios, both of which are assessed against 'cash-plus' benchmarks. Over the longer term, the relative return of the Fund has been dragged down by the sharp and largely indiscriminate sell-off experienced in the final quarter of the year. Performance compared to benchmarks, whilst still below was closer with a 1% differential over 10 years.

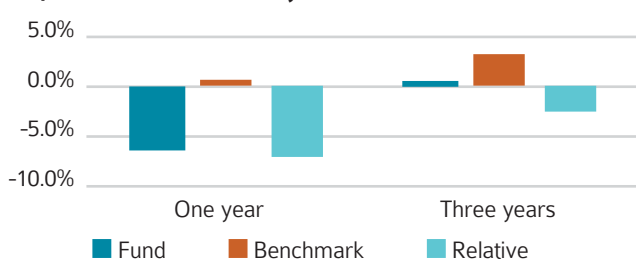
West Midlands ITA Combined Pension Fund to 31 March 2020



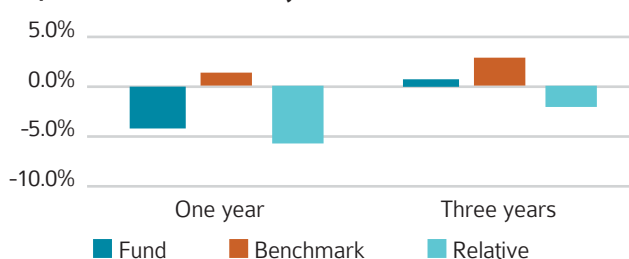
Over the long-term, performance of the passive equity portfolio was broadly in line with expectations. However, the absolute level of market falls was significant with equities down by 8.3% over the year as a whole. The DGF portfolio has experienced mixed performance over the long-term, but there was an uptick in relative performance over the last year until the beckoning Covid-19 crisis in Q1 2020. However, the diversified approach of the funds did not provide full protection against the severe equity falls seen globally. The fixed income allocation is split between passive index linked exposure an active corporate bond portfolio and a multi-asset credit fund. Within this asset pool, multi-asset credit was a detractor, with sharp falls and large relative underperformance.

The experience of the two individual separate admission body sub-funds is provided below over one and three years:

Separate Admission Body Sub-Fund (WMTL)



Separate Admission Body Sub-Fund (PBL)



Jill Davys

Assistant Director - Investments and Finance

Tom Davies

Head of Investments

Date: September 2020

TOP TWENTY EQUITY HOLDINGS AND TOP TWENTY INDIRECT HOLDINGS

Top Twenty Direct Equity Holdings		Top Twenty Indirect Equity Holdings	
1	Tencent Holdings Limited Ord. £60,441,023	1	LGPS Central Global Ex UK Passive Equity Fund (Class A Acc) £1,835,138,217
2	Alibaba Group Holding Ltd ADR £52,435,821	2	LGPS Central All World Equity Climate Multi Factor Fund (A Acc) £1,382,359,550
3	Taiwan Semiconductor Manufacturing Company Limited £47,421,087	3	Legal & General All Stocks Index Linked Gilts Fund £971,011,152
4	AIA Group Ltd £42,469,493	4	LGPS Central UK Equity Passive Fund (Class A Acc) £850,884,291
5	HDFC Bank Ltd ADR £38,212,225	5	LGPS Central Global Equity Active Multi Manager Fund (Class A Acc) £715,290,818
6	Infosys Ltd ADR £29,640,464	6	LGPS Central Global Equity Dividend Growth Factor Fund (Class A Acc) £433,548,098
7	Pantheon International £29,487,259	7	Capital International Emerging Market Debt Fund £383,021,057
8	John Laing Group £27,100,080	8	Schroder All Maturities Corporate Bond Fund £345,067,361
9	Ping An Insurance (Group) Company of China Class H £24,724,748	9	CQS Credit Multi Asset Fund (Class E1) £308,834,944
10	Wal-Mart de Mexico S.A.B. de C.V. £22,628,065	10	Legal & General All Stocks Gilts Index Fund £189,953,903
11	Uber Technologies Inc £20,499,097	11	Amundi Global Emerging Markets Hard Currency Fund £130,519,785
12	Samsung Electronics Company Limited £20,028,333	12	Legal & General Overseas Bond Fund £113,418,462
13	Bank Mandiri Persero £19,883,874	13	Baillie Gifford Diversified Growth Fund £101,626,647
14	Reliance Industries Limited GDR £19,513,410	14	Amundi Global Emerging Markets Local Currency Fund £95,959,017
15	Inner Mongolia Yili Industrial Group Company Ltd £19,192,159	15	LGPS Central Co-Investment 2018 £92,118,875
16	Taiwan Semiconductor Manufacturing Limited ADR £18,952,510	16	Legal & General Investment Grade Corporate Bond All Stocks Index Fund £83,013,598
17	iShares MSCI India Index ETF £17,695,707	17	Capital Dynamics Asia £71,063,189
18	Industrial & Commercial Bank of China Limited £16,812,147	18	JP Morgan Infrastructure Investment Fund £70,533,445
19	Sands China Limited £16,395,749	19	Unigestion Direct Opportunities 2015 Fund £65,481,968
20	Roku Class A Common Stock £16,090,840	20	Coriolis Horizon Fund (Class E) £58,422,194

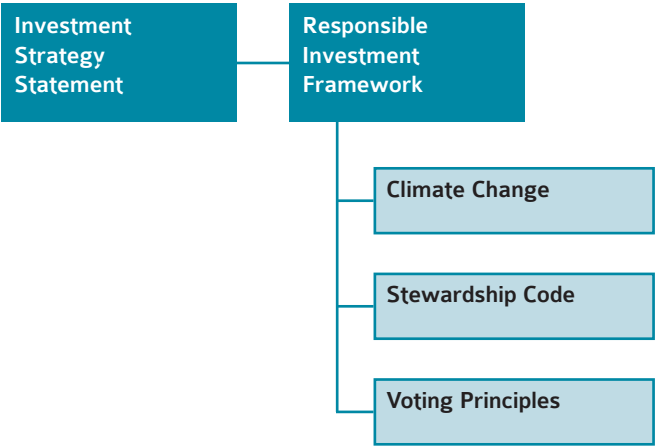
SECTION 1: OUR APPROACH

Responsible Investment Framework

Our *Responsible Investment Framework* was reviewed and approved in June 2020. Its purpose is to detail the approach that the Fund aims to follow in integrating environmental, social and governance (ESG) considerations into its investment strategy and implementation. It informs and is supplementary to the Fund’s *Investment Strategy Statement*, aligning with the Fund’s investment beliefs and fiduciary duty.

We continue to manage responsible investment (RI) through a three-pillar approach comprising Selection, Stewardship and Transparency and Disclosure. We show in Figure 1 the documentation underpinning our approach to RI.

Figure 1: The Fund’s Approach to Responsible Investment



As long-term owners of capital, the Fund believes that investing responsibly is key to ensuring the long-term value of assets in which it invests and where possible, is enhanced. Investing responsibly and engaging as long-term owners reduces risk over time and has been proven to positively impact investment returns. The Fund is integrating RI into the way it selects and stewards all assets.

Climate Change

Financial markets could be materially impacted by climate change and by the response of climate policy-makers. The Fund has developed evidenced-based beliefs relating to climate change to assist in monitoring and managing this specific area of risk and opportunity and this is outlined in more detail within the 2019 *Climate Change Strategy and Framework*.

In the Climate Change Strategy, the Fund expresses support for the Paris Agreement on climate change, and acknowledges the importance of collaboration in bringing the Paris Agreement to bear. The Fund has undertaken a review of its exposure to climate risk and is in the process of carrying out an updated climate risk analysis which will help to inform the Fund’s review of its climate risk management strategy. The Fund’s current climate risk strategy has set medium term targets to invest 15% of the Fund in low carbon and sustainable strategies by 2023 and this will be reviewed post the updated climate risk analysis.

The Fund was therefore delighted to learn that it has achieved an A+ or A for every module of the report (Figure 2). The Fund was one of the first 70 UK asset owners to report for assessment and, along with the Fund’s pool company, LGPS Central Ltd, the Fund was one of only 6% of the UK’s local government pension schemes to submit. The report’s results, in conjunction with the Fund being within the first tranche for submission, demonstrates the Fund’s global commitment to responsible investment.

Principles for Responsible Investment

The Principles for Responsible Investment (PRI) is the world’s leading proponent of responsible investment. It strives to understand the investment implications of environmental, social and governance (ESG) factors, whilst supporting its investor signatories in incorporating these factors into their investment and ownership decisions.

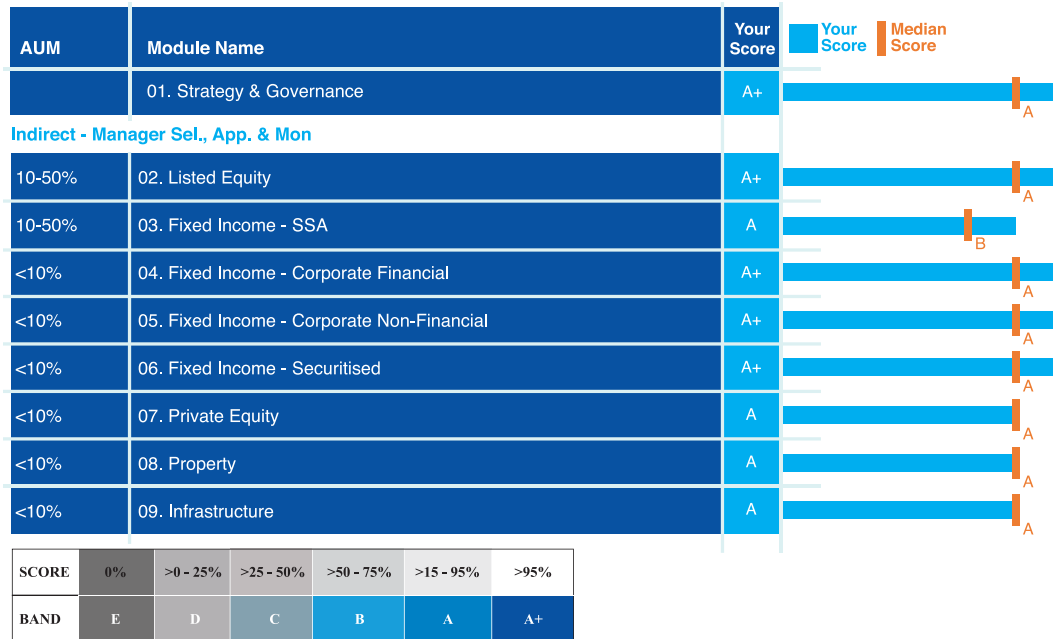
As an asset owner, the Fund has been a signatory of the PRI since 2011. This year the Fund took part in the first mandatory reporting and assessment cycle for all PRI signatories. Assessment ensures that signatories can understand, commit to, and demonstrate their alignment with a global industry-standard of responsible investment, and ultimately achieve higher investment returns whilst making a positive contribution to environmental and societal causes.

In line with the Fund’s *Responsible Investment Strategy*, the Investment Team strive to monitor and measure the environmental, social and governance impact of its portfolio and engage with asset managers and shareholders to ensure that its responsible investment targets are met, whilst meeting the Fund’s fiduciary obligations.

RESPONSIBLE INVESTMENT

Figure 2: West Midlands Pension Fund Principle for Responsible Investment Assessment Report Outcome 2020

Summary Scorecard



SECTION 2: SELECTION

As made clear in the *Responsible Investment Framework*, the Fund integrates an ESG assessment into the selection of its assets. This is achieved in a manner tailored to the asset class in question.

The Fund has currently invested £1.9 billion in sustainable equities and low carbon funds, with further investments into sustainable equities following the year end.

The Fund's infrastructure is dominated by allocations to renewable energy. Approximately £170m has been invested through both direct investments and indirect investments in a portfolio of UK-based wind farms and other forms of renewable energy. The wind farms generate 550MW of power, which is about enough to power all the homes of the Fund's c300,000 scheme members.

The Fund has been instrumental in driving requirements at the investment pool company for the development of a climate factor fund to meet both its own requirements in accordance with its climate strategy but also to support other Partner Funds. In October 2019 the Fund made a £1.6bn allocation to of LGPS Central's All World Equity Climate Multi Factor Fund, which has reduced exposure to carbon intensive companies, but increased exposure to green revenue streams. Rather than divesting from fossil fuel companies, the index includes those that are transitioning their business models, which aligns with the Fund's new *Climate Change Framework and Strategy*.

The Fund was therefore delighted to learn that it has achieved an A+ or A for every module of the report (Figure 2). The Fund was one of the first 70 UK asset owners to report for assessment and, along with the Fund's pool company, LGPS Central Ltd, the Fund was one of only 6% of the UK's local government pension schemes to submit. The report's results, in conjunction with the Fund being within the first tranche for submission, demonstrates the Fund's global commitment to responsible investment.

INVESTMENT POLICY AND PERFORMANCE

RESPONSIBLE INVESTMENT

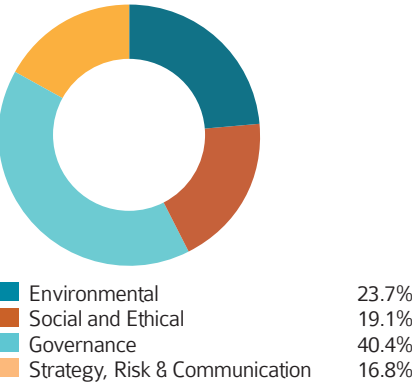
SECTION 3: STEWARDSHIP

Engaging Our Portfolio Companies

Through LGPS Central Limited, WMPF utilises EOS at Federated Hermes’ (EOS) global engagement team to further our stewardship ambitions at the companies in which we invest. During the last year, EOS engaged with 757 companies in WMPF’s portfolios on a range of 1076 environmental, social, governance, strategy, risk and communication issues and objectives. EOS’ holistic approach to engagement means that it typically engages with companies on more than one topic simultaneously.

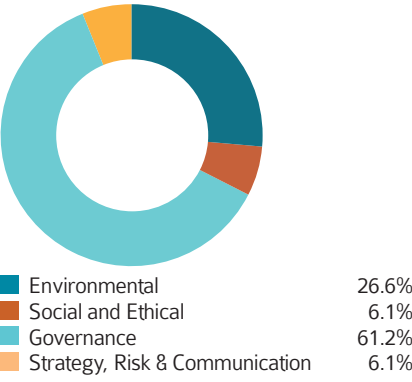
Global

EOS engaged with **757** companies over the last year.



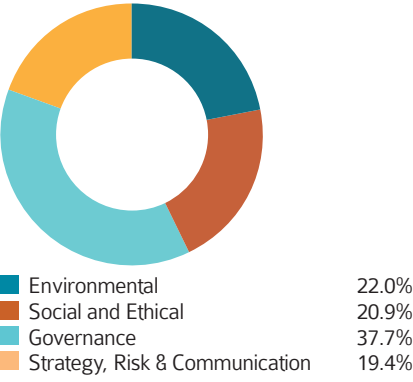
Australia and New Zealand

EOS engaged with **35** companies over the last year.



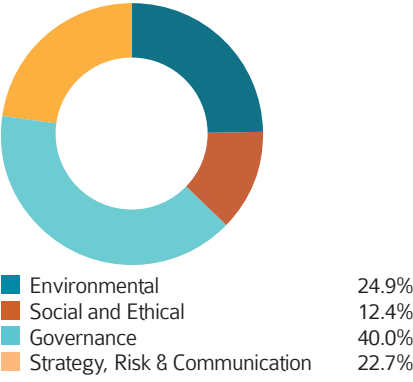
Developed Asia

EOS engaged with **121** companies over the last year.



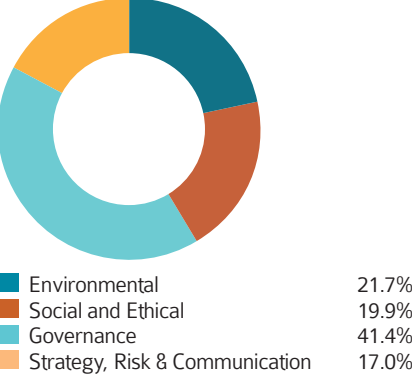
Emerging Markets

EOS engaged with **66** companies over the last year.



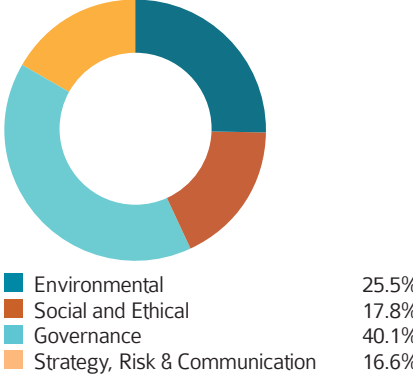
Europe

EOS engaged with **151** companies over the last year.



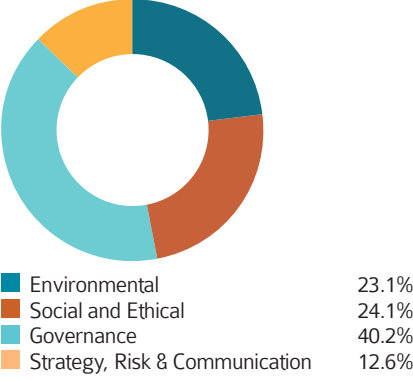
North America

EOS engaged with **269** companies over the last year.



UK

EOS engaged with **115** companies over the last year.

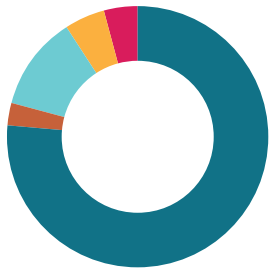


RESPONSIBLE INVESTMENT

A summary of the 1,076 issues and objectives on which EOS engaged with companies in the Fund's portfolios over the last year is shown below.

Environmental

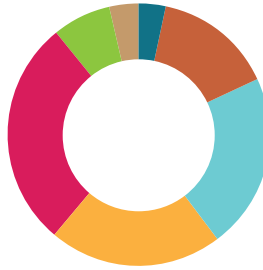
Environmental topics featured in **32%** of engagements over the last year



Climate Change	76.5%
Forestry and Land Use	2.9%
Pollution and Waste Management	11.6%
Supply Chain Management	4.9%
Water	4.1%

Social and Ethical

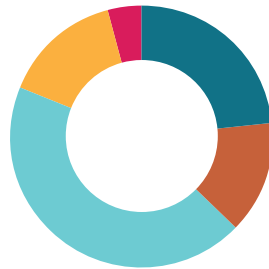
Social and ethical topics featured in **20%** of engagements over the last year



Bribery and Corruption	3.6%
Conduct and Culture	14.6%
Diversity	21.7%
Human Capital Management	21.5%
Human Rights	28.0%
Labour Rights	7.2%
Tax	3.4%

Governance

Governance topics featured in **32%** of engagements over the last year



Board Diversity, Skills and Experience	23.5%
Board Independence	13.9%
Executive Remuneration	43.9%
Shareholder Protection and Rights	14.6%
Succession Planning	4.1%

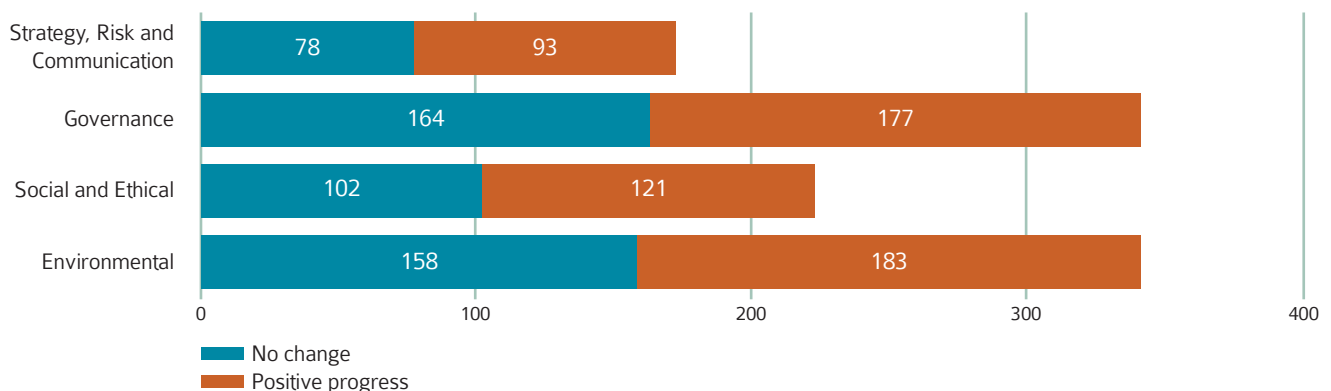
Strategy, Risk and Communication

Strategy, Risk and Communication topics featured in **16%** of engagements over the last year



Audit and Accounting	7.4%
Business Strategy	39.3%
Cyber Security	6.0%
Integrated Reporting and Other Disclosure	25.7%
Risk Management	21.6%

EOS made solid progress in delivering engagement objectives across regions and themes for LGPS Central Limited. The following chart describes how much progress has been made in achieving the milestones set for each engagement.



RESPONSIBLE INVESTMENT

ENGAGEMENT THEMES

In 2019-20, in conjunction with LGPS Central Ltd and partner funds, the Fund focused on four engagement themes: Climate Change, Single Use Plastics, Technology and Disruptive Industries, and Tax Transparency and Fair Tax Treatment. In addition, the Fund's Pensions Committee were keen to have additional attention on Human Rights as part of the broader responsible investment approach and this was included as a further focus for engagement during the year and has now been integrated fully as a new theme for the new financial year, 2020-21.

Climate Change

The Fund has continued its proactive programme of climate change stewardship, primarily by leveraging its strategic partnerships including LAPFF, LGPS Central, EOS, the Transition Pathway Initiative, the Climate Action 100+ Initiative (CA100+), and the Institutional Investor Group on Climate Change. The Fund has sought to exert its influence both on the climate policy agenda and on the companies in which the fund invests.

Our climate change work has continued via the CA100+ initiative, through both EOS and LGPS Central. CA100+ engages 161 of the most carbon intensive companies globally, with three engagement objectives: appropriate climate governance, best practice disclosure (via TCFD), and changes to business models that align with the Paris Agreement.

In December 2019, together with nine other investors, LAPFF and LGPS Central co-filed a shareholder resolution at Barclays Plc asking the company to disclose targets to phase out the provision of finance to companies, starting with those in the energy and utility sectors, that are not aligned with the Paris climate change goals. The resolution aligns with LAPFF's, LGPS Central's and West Midlands Pension Fund's responsible investment beliefs on climate change as a material financial risk.

In February 2020 both Rio Tinto and BP pledged to cut their greenhouse gas emissions to net zero by 2050. The target set by BP is one of the most ambitious yet within the oil & gas industry, and easily outstrips commitments made by competitors at this point and follows on from considerable investor pressure to set targets on climate change.

Single Use Plastics

The Fund is conscious of the damage that single use plastics can have on the environment and is keen to engage alongside partners in highlighting the risks that single use plastics pose to longer term financial returns for the companies in which it invests.

During the year in review, LGPS Central joined the Principles for Responsible Investment's Plastic Working Group, aimed at defining good practice and building performance and engagement guides across key sectors (chemicals, retailers, plastic packaging and waste management), the working group will collaborate with relevant industry experts. The working group will maintain a focus on plastics but will also consider the circular economy concept of eliminating waste from supply chains.

Technology and Disruptive Industries

With technology dominating daily lives, the need for good governance has led to significant opportunities for institutional investors to engage with companies.

Following the Christchurch anniversary, an investor coalition lead by NZ Super (including LGPS Central, LAPFF and the Fund) has called on social media giants, Facebook, Google and Twitter, to do more to curb disturbing content and shut down sites quickly in the event of unfolding crisis that might provoke further reactions. In an open letter to the companies, investors have criticised their "failure to properly respond". The engagement was initiated after it transpired the Christchurch attacks had been livestreamed across various social-media platforms. Investors are now pointing to the recent livestreaming of shootings in Thailand and Germany as evidence that the appropriate control measures have not been put in place. In the letter, investors have asked the companies to do more to protect the public from similar events in the future. This includes introducing clear lines of governance and accountability and assuring sufficient resources to combat the livestreaming and spread of objectionable material.

Tax Transparency and Fair Tax Treatment

The avoidance of tax by a number of well-known large multinationals has attracted a great deal of criticism, which small businesses shouldering a heavier tax burden have struggled to compete with. Following investor pressure some large companies are now taking a long-term view that investment in the community and the society in which they operate, by paying taxes, will ultimately lead to greater prosperity for the business too.

EOS has encouraged companies to enhance disclosure by developing a clear narrative on how they have implemented their tax policy in the reporting year. Pressure on fair tax treatment is starting to pay dividends, with Starbucks announcing in June 2019 that its tax contribution to its European (and London) based companies increased to a higher effective rate than the local level of corporation tax.

Human Rights

Human rights include civil, political, economic, and social and cultural rights, such as the right to life, the right to freedom of association or the right to health. Whilst not a specific engagement theme for the Fund during the financial year, it was an area on which the Fund was keen to increase its engagement in.

In March 2020, the Fund became a signatory of the Modern Slavery Engagement Project, co-ordinated by Rathbones Bothers PLC. The initiative sought investors to co-sign letters to a group of 25 FTSE 350 companies who have failed to meet the minimum reporting standards of the Modern Slavery Action, Section 54. The minimum standard is that companies over a certain size (turnover of more than £36 million per year) must post a modern slavery statement on their website and have a process in place by which the statement is: approved by the board; signed by a director; and is reviewed annually. Rathbones carried out a similar, but smaller engagement project last year, reaching out to four FTSE100 companies with the same request.

RESPONSIBLE INVESTMENT

Three of those became compliant with the Modern Slavery Act prior to AGM. One became compliant post AGM. It is hoped that this project, although bigger, could have a similar success rate.

In April 2020 the Fund became a signatory of the CCLA FTSE 100 Mental Health initiative, backed by signatories representing £2.2 trillion in assets under management. The initiative was devised to encourage FTSE 100 constituent companies, as the UK's largest listed business, to protect their employee's mental health during the extraordinary working environment caused by Covid-19. A combination of obligatory remote working, social isolation, quarantine, bereavement and pending recession could have unanticipated mental health consequences for a great number of people. This is a unique time for workplace mental health, with no historical parallel from which to learn. Thus far CCLA has received a large number of holding emails and 12 detailed responses.

Engagement Themes 2020-23

The Fund is aware that the range of potential engagement themes is substantial. A focused approach is preferred to ensure engagement efforts are targeted effectively. Reflecting on a range of potential themes, the following were recommended and approved for the next three years as being key priorities for the Fund:

- Climate Change
- Sustainable Food Systems
- Human Rights
- Responsible Financial Management

There will be reporting against progress each theme in the Fund's quarterly reporting on responsible investment to Pensions Committee.

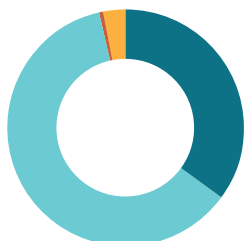
RESPONSIBLE INVESTMENT

Voting Summary¹

During the last year, the Fund voted on 34,145 resolutions at 2,736 meetings. At 1,683 of those meetings, we opposed one or more resolutions, while at 10 meetings, we abstained. We voted with management by exception at 76 meetings and supported management on all resolutions at 967 meetings.

Global

We voted at **2,736** meetings
(34,145) resolutions over the last year



Total meetings voted in favour	35.3%
Meetings where voted against (or voted against AND abstained)	61.5%
Meetings where abstained	0.7%
Meetings where voted with management by exception	4.4%

Australia and New Zealand

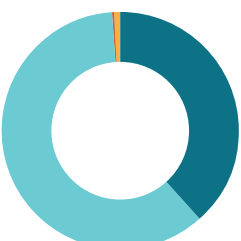
We voted at **117** meetings
(683) resolutions over the last year



Total meetings voted in favour	40.2%
Meetings where voted against (or voted against AND abstained)	59.8%
Meetings where abstained	0.1%
Meetings where voted with management by exception	0.8%

Developed Asia

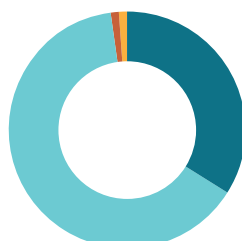
We voted at **785** meetings
(8,456) resolutions over the last year



Total meetings voted in favour	38.6%
Meetings where voted against (or voted against AND abstained)	60.5%
Meetings where abstained	0.1%
Meetings where voted with management by exception	0.8%

Emerging Markets

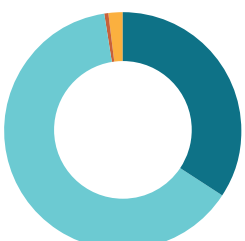
We voted at **292** meetings
(3,204) resolutions over the last year



Total meetings voted in favour	33.9%
Meetings where voted against (or voted against AND abstained)	64.0%
Meetings where abstained	1.0%
Meetings where voted with management by exception	1.0%

Europe

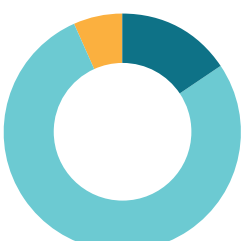
We voted at **520** meetings
(7,946) resolutions over the last year



Total meetings voted in favour	34.2%
Meetings where voted against (or voted against AND abstained)	63.3%
Meetings where abstained	0.6%
Meetings where voted with management by exception	1.9%

North America

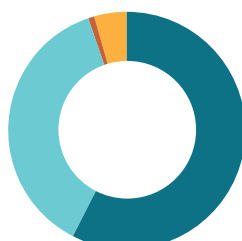
We voted at **594** meetings
(7,137) resolutions over the last year



Total meetings voted in favour	15.7%
Meetings where voted against (or voted against AND abstained)	77.9%
Meetings where abstained	6.4%
Meetings where voted with management by exception	0.7%

UK

We voted at **428** meetings
(6,629) resolutions over the last year



Total meetings voted in favour	57.7%
Meetings where voted against (or voted against AND abstained)	37.1%
Meetings where abstained	0.7%
Meetings where voted with management by exception	4.4%

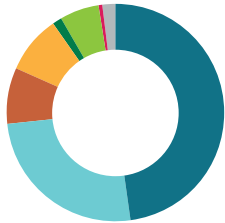
¹Please note that our votes are executed through LGPS Central, according to WMPF's Voting Principles. LGPS Central switched its provider of voting services in September 2018, and the data displayed above relate to voting outcomes since October 2018. WMPF's and LGPS Central's full voting records are available on their respective websites.

RESPONSIBLE INVESTMENT

The resolutions where we voted against management or abstained are shown below.

Global

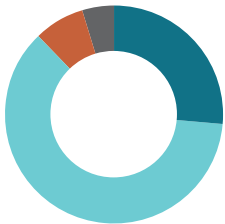
We voted against or abstained on
320 resolutions over the last year



Board Structure	47.8%
Remuneration	25.6%
Shareholder Resolution	8.3%
Capital Structure and Dividends	8.8%
Amend Articles	1.2%
Audit and Accounts	6.0%
Poison Pill/Anti-Takeover	0.5%
Other	1.8%

Australia and New Zealand

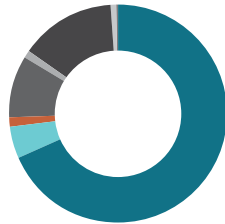
We voted against or abstained on
1 resolution over the last year



Board Structure	28.5%
Remuneration	59.3%
Shareholder Resolution	7.7%
Capital Structure and Dividends	4.5%

Developed Asia

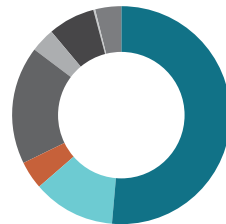
We voted against or abstained on
8 resolutions over the last year



Board Structure	28.5%
Remuneration	59.3%
Shareholder Resolution	7.7%
Capital Structure and Dividends	4.5%
Amend Articles	1.0%
Audit and Accounts	1.0%
Poison Pill/Anti-Takeover	1.0%
Other	1.0%

Emerging Markets

We voted against or abstained on
102 resolutions over the last year



Board Structure	51.6%
Remuneration	12.1%
Shareholder Resolution	4.2%
Capital Structure and Dividends	17.4%
Amend Articles	3.6%
Audit and Accounts	7.1%
Investments/MandA	0.2%
Other	3.8%

Europe

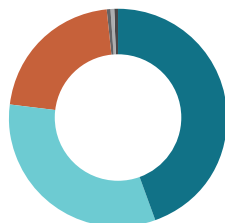
We voted against or abstained on
25 resolutions over the last year



Board Structure	36.9%
Remuneration	31.7%
Shareholder Resolution	4.8%
Capital Structure and Dividends	15.1%
Amend Articles	1.0%
Audit and Accounts	5.7%
Poison Pill/Anti-Takeover	0.3%
Other	4.5%

North America

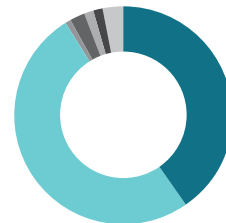
We voted against or abstained on
57 resolutions over the last year



Board Structure	36.9%
Remuneration	31.7%
Shareholder Resolution	4.8%
Amend Articles	1.0%
Audit and Accounts	5.7%
Poison Pill/Anti-Takeover	0.3%
Other	4.5%

UK

We voted against or abstained on
29 resolutions over the last year



Board Structure	40.3%
Remuneration	50.9%
Shareholder Resolution	0.9%
Capital Structure and Dividends	2.2%
Amend Articles	1.3%
Audit and Accounts	1.6%
Poison Pill/Anti-Takeover	2.8%

RESPONSIBLE INVESTMENT

SECTION 4: CLIMATE RISK AND TCFD

Engaging Our Portfolio Companies

The Fund for the third year has opted to use the TCFD recommendations framework to disclose its approach to climate risk management.

Governance	
Recommended Disclosure (a) Describe the board's oversight of climate-related risks and opportunities.	The Pensions Committee is responsible for managing climate-related issues, as part of its remit of having responsibility for the Fund's investment policy. Climate change is considered in strategy setting: the Fund's <i>Investment Strategy Statement</i> (ISS) includes climate change within its list of asset risks and is incorporated into the Fund's investment beliefs within the ISS. <i>The Responsible Investment Framework</i> , and the <i>Climate Change Framework & Strategy</i> are reviewed by the Pensions Committee on an annual basis. Committee members receive annual training on the Fund's climate change strategy. A report on responsible investment - including climate change - is received by the committee on a quarterly basis to monitor progress.
Recommended Disclosure (b) Describe management's role in assessing and managing climate-related risks and opportunities.	Day-to-day management of the Fund's climate change strategy is delegated to the Fund's Investment Team, with oversight from the Director of Pensions. LGPS Central, which has been established to provide opportunities for the Fund to pool its investments and thereby save costs, assists the Fund's Investment Team in assessing and managing climate-related risks. As detailed in the <i>Climate Change Framework & Strategy</i> , the Fund leverages partnerships and initiatives - including the PRI, IIGCC, LAPFF and TPI - to identify and manage climate risk. The Director of Pensions is accountable to the Pensions Committee for delivery of the climate change strategy.
Strategy	
Recommended Disclosure (a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	The Fund considers climate-related issues across the short-, medium- and long-term, and employs strategies relevant to each time horizon. Short- and medium-term risk include policy and technology risks medium- and long-term risks include physical impact and resource availability. Risks - and risk management strategies - vary significantly by asset class. For example, policy risk could crystallise in the relatively short term, and this could impact listed equity valuations. By contrast, resource availability could materialise over the medium and longer term, and could impact real assets. The Fund identifies climate-related issues through research and collaboration (notably with the PRI, IIGCC, TPI, CA100+, LAPFF). The Fund has made use of the TPI Toolkit to observe climate risk management in large listed equity stocks.
Recommended Disclosure (b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	The primary impact of a crystallisation of climate risk would be to the Fund's investment strategy, and the secondary impact would be to the funding strategy. The Fund's <i>Climate Change Framework & Strategy</i> sets out the Fund's approach to managing the risks associated with each. The Fund's investments are managed externally, and expectations on responsible investment (RI) and climate change are therefore codified in written agreements such as IMAs, side letters, and LPAs. External fund managers' approaches to RI and climate change are considered before appointment and on an ongoing basis. From time to time the Fund reviews climate opportunities, with the aim of investing where positive environmental outcomes are expected to correlate with positive financial performance, and to align with the Fund's investment strategy at large.
Recommended Disclosure (c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In 2018-19 the Fund engaged the expertise of an external contractor to understand the returns impact of climate change risks and opportunities on the Fund's portfolio given four climate and policy scenarios over the long term. Since the portfolio is well diversified and has allocations to real assets and the renewable energy sector, climate change risks have a relatively limited impact on returns across the four scenarios considered (according to the methodology and assumptions employed). The scenario analysis fed into the Fund's development of its <i>Climate Change Framework & Strategy</i> , and therefore to ongoing investment strategy. Whilst the Fund recognises the difficulty in constructing a meaningful methodology for scenario testing investment portfolios, due in part to inadequate disclosure from portfolio companies, we will be seeking to undertake climate scenario analysis again in the year ahead.

RESPONSIBLE INVESTMENT

Risk Management	
Recommended Disclosure (a) Describe the organisation's processes for identifying and assessing climate-related risks.	Climate-related risks and opportunities are recognised in the Fund's <i>Investment Strategy Statement</i> , and further expanded on in the <i>Climate Change Framework & Strategy</i> . The Fund has worked with LGPS Central to develop a Climate Risk Monitoring Service, and this will be the primary means through which the Pensions Committee will identify and assess climate risks going forward. Idiosyncratic risks are managed on a delegated basis by the Fund's appointed fund managers.
Recommended Disclosure (b) Describe the organisation's processes for managing climate-related risks.	The Fund manages climate risk in different ways according to the nature, duration, magnitude and time horizon of the risk itself. The main management techniques are asset allocation and investment stewardship. For examples relating to asset allocation, please see above. For the Fund's existing allocations, for example to regional passive equity funds, climate risk could affect market-wide performance – for example through carbon pricing in the EU – or could affect particular sectors within a market – for example through changes in subsidies. The Fund's strategies are to engage hard and soft regulators (in order to promote efficient market outcomes) and to engage through partner organisations as many companies and industry bodies as possible, which collectively ought to have an improving market-wide effect. Further information on climate stewardship is presented above.
Recommended Disclosure (c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate change is recognised in the Fund's mainstream asset risks within the <i>Investment Strategy Statement</i> and expanded upon in the <i>Climate Change Framework & Strategy</i> . These documents are reviewed at least annually.
Metrics and Targets	
Recommended Disclosure (a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	To date, the Fund's preferred metrics have been (within climate scenario analysis) returns impact given various climate scenarios, and a heat map showing the asset classes with the greatest exposures to this risk factor and (for climate stewardship) stewardship data (the extent of voting and engagement activity) which includes climate change stewardship (e.g. climate change resolutions at fossil fuel companies, remuneration linked to GHG KPIs or engaging portfolio companies on climate risks). Having reviewed the use of metrics, the Fund has worked with LGPS Central to develop a Climate Risk Monitoring Service, and this will be the source of the Fund's metrics going forward.
Recommended Disclosure (b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>We provide here the carbon footprints of our ACS listed equity funds. These funds track an index, so the carbon footprint of the benchmark is in each case the same as that of the fund.</p> <ul style="list-style-type: none"> • Total Equities: 149.24 (tCO₂e/\$m revenue) • Developed Market Active Equities: 98.87 (tCO₂e/\$m revenue) • Developed Market Passive Equities: 164.03 (tCO₂e/\$m revenue) • Emerging Market Equities: 151.69 (tCO₂e/\$m revenue) <p><i>Data as of 31/12/2019. We have used the weighted average method, as recommended by the TCFD. Certain information @ 2020 MSCI ESG Research LLC. Reproduced by permission.</i></p>
Recommended Disclosure (c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	The Fund has reviewed the use of targets. As per the <i>Climate Change Framework & Strategy</i> the Fund has articulated a number of Strategic Actions within the following areas: (a) Measurement & Observation (b) Asset Allocation (c) Selection and Due Diligence (d) Purposeful Stewardship (e) Transparency & Disclosure. Within (b) Asset Allocation, the Fund has announced a four-year target to reduce its exposure to pure-play thermal coal producers to less than 1% of the Fund, and to increase exposure to low carbon and sustainable investments to 10-15% of the Fund.

RESPONSIBLE INVESTMENT

SECTION 5: PARTNERSHIPS

PENSIONS AND LIFETIME SAVINGS ASSOCIATION

Pensions and Lifetime Savings Association

The Pensions and Lifetime Savings Association is a national association with a ninety-year history of helping pension professionals run better pension schemes. Its purpose is simple: to help everyone to achieve a better income in retirement. It works to get more money into retirement savings, to get more value out of those savings and to build the confidence and understanding of savers.



Institutional Investors Group on Climate Change

Institutional Investors Group on Climate Change (IIGCC)

The Institutional Investors Group on Climate Change (IIGCC) is a forum for collaboration on climate change for European investors. The IIGCC brings investors together to use their significant collective influence to engage in dialogues with policymakers, investors and companies to accelerate the shift to a low carbon economy.



United Nations Principles for Responsible Investment (UNPRI)

The United Nations-backed Principles for Responsible Investment Initiative (PRI) is a network of international investors working together to put the six Principles for Responsible Investment into practice.



Transition Pathway Initiative (TPI)

The Fund is a founder partner of the Transition Pathway Initiative (TPI), which launched in January 2017. The TPI helps investors to make informed judgements about how companies with the biggest impacts on climate change are adapting their business models to prepare for the transition to a low carbon economy. TPI involves asset owners working together with the Grantham Research Institute on Climate Change and the Environment at the London School of Economics and Political Science (LSE), supported by data from FTSE Russell.



Local Authority Pension Fund Forum (LAPFF)

The Local Authority Pension Fund Forum (LAPFF) exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders while promoting corporate social responsibility and high standards of corporate governance among the companies in which they invest.



30% Club

The Fund is a member of the 30% Club Investor Group and has signed the Investor Group's Statement of Intent. The 30% Club Investor Group has the following purposes: co-ordinate the investment community's approach to diversity, in particular to explain the investment case for more diverse boards and senior management teams; exercise our ownership rights, including voting and engagement, to effect change on company boards and within senior management teams; encourage all investors to engage on the issue of diversity with chairs of boards and senior management teams.

ASSETS HELD AS AT 31 MARCH 2020

1 QUOTED EQUITIES

The Fund has direct holdings of quoted equities predominantly in Emerging Markets. The number and amount of individual stocks held will vary according to investment decisions taken on a day-to-day basis, but it is likely at any point in time the Fund will hold over 190 stocks. In respect of the UK, US, Europe, Pacific Basin and Japan, the Fund now holds the majority of its significant quoted stocks indirectly through the Pooling agent's passive and active equity funds.

2 EQUITIES FUNDS

The Fund also has interests in the following funds:

- LGPS Central All World Equity Climate Multi Factor Fund (A Acc)
- LGPS Central Global Equity Dividend Growth Factor Fund (Class A Acc)
- LGPS Central Global Ex UK Passive Equity Fund (Class A Acc)
- LGPS Central Global Equity Active Multi Manager Fund (Class A Acc)
- LGPS Central UK Equity Passive Fund (Class A Acc)
- Legal & General UK Smaller Companies Index Fund
- Legal & General UK Equity Index
- Legal & General North America Equity Index
- Legal & General Europe (Ex UK) Equity Index
- Legal & General Japan Equity Index
- Legal & General Asia Pacific Ex Japan Developed Equity Index
- Legal & General World Emerging Markets Equity Index

3 SPECIALIST VEHICLES

The Fund also has interests in the following funds:

Real Assets and Infrastructure

- (Hgc Capital) Asper Renewable Power Partners LP
- Alterna Core Capital Assets Fund, L.P.
- AMP Capital Asian Giants Infrastructure Fund
- Black River Agriculture Fund 2 LP
- CTI European Sustainable Infrastructure
- Blackstone Clean Technology Partners L.P.
- Dalmore Infrastructure Investments LP (Thames Tideway)
- EISER Infrastructure Capital Equity Partners
- EQT Infrastructure Fund
- First Reserve Global Energy & Power Infrastructure Fund I, L.P.
- Global Infrastructure Partners – C, L.P.
- Goldman Sachs International Infrastructure Fund
- Impax New Energy II
- Impax New Energy Invest
- Infracapital Partners
- Innisfree PFI Secondarie LP
- Insight Global Farmland Fund Ltd Class B
- JP Morgan Infrastructure Investment Fund
- PIP Multi-Strategy Infrastructure LP (Core 2-5% Portfolio Investors)
- PIP Multi-Strategy Infrastructure LP (PPP Portfolio Investors) Project Fleming
- PIP Wm-Ma LP EDF
- PIP Wm-Ma LP Red Funnel

- PPP Equity PIP Limited Partnership PIP Dalmore
- Riverstone/Carlyle Renewable And Alternative Energy Fund II L.P.
- Steelriver Infrastructure Fund North America LP
- The Rohatyn Group (JP Morgan) Asian Infrastructure & Related Resources Opportunity Fund
- Waste Resources Fund L.P.
- Welcome Break Investors II LP (Arjun Infrastructure)

Absolute Return

- Baillie Gifford Diversified Growth Fund C Acc
- Bluecrest Mercantile Fund Limited
- BNY Mellon Real Return Fund Newton Inst Shares 2 (Acc)
- Cairn Pathfinder Fund I - Class A GBP
- CATco A Sub 41 Liq
- CATco Sub 3 Sp 17
- CATco Sub 3 Sp 18
- CATco Sub Series B 2016
- CEMOF II Master Co-Investment Partners, L.P.
- Coriolis The Horizon Fund – Class E
- Credit Suisse IRIS
- Credit Suisse IRIS Fund S01 - Side Pocket
- Credit Suisse IRIS Fund S02 - Side Pocket
- Credit Suisse IRIS Fund S03 - Side Pocket
- Dorchester Capital Secondaries Offshore II, L.P.
- Dorchester Capital Secondaries Offshore III, L.P.
- Dorchester Capital Secondaries Offshore V, L.P.
- Dorchester Capital Secondaries Offshore IV, L.P.
- Finance Birmingham Ltd
- Frontier Development Capital
- Oaktree Principal Fund V LP
- Sciens Aviation Special Opportunities Offshore Investment Fund, L.P.

Indirect Property

- AEW European Property Investors Special Opportunities Fund
- Beacon Capital Strategic Partners VI
- Blackrock Residential Opportunities Fund
- Bluehouse Accession Property III
- Vision Brazil Real Estate Opportunities Fund I
- Vision Brazil Real Estate Opportunities Fund II
- Bridges Property Alternatives III
- Bridges Property Alternatives IV
- Bridges Sustainable Property Fund Unit Trust
- Dune Real Estate Fund II
- Goldman Sachs Developing Markets Real Estate
- Hearthstone Residential Fund
- High Street Equity Advisors Fund III
- Igloo Regeneration Partnership
- Kames Capital Property Unit Trust
- Kames Capital UK Active Value Unit Trust II
- Mansford Real Estate Opps Fund
- Morgan Stanley AIP Phoenix Fund
- Newcore Strategic Situations IV LP
- North Haven Real Estate Fund VII
- Phoenix Asia IV Limited
- Phoenix Asia V Ltd
- Pramerica PLA Residential III
- Rockspring Peripheral Europe Ltd (PELP)
- RREEF European Value Added Fund
- Silk Road Asia Value Partners

ASSETS HELD AS AT 31 MARCH 2020

Fixed Interest

- Amundi Global Emerging Markets Hard Currency Fund
- Amundi Global Emerging Markets Local Currency Fund
- Capital International Emerging Market Debt Fund
- CQS Credit Multi Asset Fund (Class E1)
- GS Mezzanine Partners V Offshore, L.P.
- Highbridge Offshore Mezzanine Partners LP
- Highbridge Speciality Loan Fund III L.P.
- Legal & General Active Corporate Bond - All Stocks
- Legal & General All Stocks Index Linked Gilts Fund
- Legal & General Overseas Bond
- Legal & General Investment Grade Corporate Bond - All Stocks Index
- Legal & General Gilts
- LIFFE-LONG Gilt
- Newton Global Dynamic Bond Fund
- Park Square Capital Partners II, LP
- RLAM Segregated Mandate
- Schroder All Maturities Corporate Bond Fund
- US Treasury Inflation-Protected Securities

4 DIRECT PROPERTY HOLDINGS

The Fund has investments in the following

Agricultural

- Cleveland Estate
- Backford & Wincham Estate
- Stagsden Estate
- Butlers Marston Estate

Industrial

- Southampton (Canberra Rd)
- Horsham (Parsonage Way)
- Weybridge (Brooklands IE)
- Bristol (Kingswood IE)
- Birmingham (Midpoint Park)
- Hayes (Elystan Business Park)
- Birmingham (Merlin Park)
- Birmingham - Premier House
- London (Powergate Business Park)
- Basingstoke (West Ham Industrial Estate)
- Southampton (Unit 43 Nursling Industrial Estate)

Offices

- Bath (Manvers Street)
- Birmingham (Newhall Street)
- London (Wardour Street)
- London (Southwest House)
- London (Whitfield Street)
- Reading (Thames Valley Park)
- Edinburgh (Citypoint)
- Birmingham (St Philips Place)
- Leeds City Point
- Bristol, 1 Rivergate

Retail Warehouses

- Pontefract (Racecourse Retail Park)
- Hayes (Uxbridge Road Retail Park)
- Birmingham (The Fort)
- Oxford (Botley Retail Park)
- York (Clifton Moore Park)
- Bristol (Longwell Green)
- London (Waxlow Road)
- High Wycombe (Sytner Car Showroom)
- Coventry (Ryton)
- South Ealing
- Sydenham (Bell Green Retail Park)

Shopping Centres

- Bury St Edmunds (Arc)

Shops

- Glasgow (Buchanan Street)

Supermarket

- Birmingham (Asda Great Barr)
- London (Morrisons Wood Green)
- Hattersley (Tesco)



ACTUARY'S STATEMENT AS AT 31 MARCH 2020

ACTUARY'S STATEMENT

INTRODUCTION

The last full triennial valuation of the West Midlands Pension Fund (the Fund) was carried out as at 31 March 2019 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 31 March 2020.

ASSET VALUE AND FUNDING LEVEL

The results for the Fund at 31 March 2019 were as follows:

- The value of the Fund's assets as at 31 March 2019 for valuation purposes was £15,634m.
- The Fund had a funding level of 94% i.e. the assets were 94% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a deficit of £1,014m.

CONTRIBUTION RATES

The employer contribution rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- The annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;

- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 20.4% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2020.

In addition, further "secondary" contributions were required in order to pay off the Fund's deficit by no more than 17 years with effect from the 2019 valuation. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer. The total secondary contributions payable by all employers, present in the Fund as at 31 March 2019, over the three years to 31 March 2023 was estimated to be as follows:

Secondary contributions	2020/2021	2021/2022	2022/2023
Total as a % of payroll	5.8%	5.7%	5.7%
Equivalent to total monetary amounts of	£114.5m	£117.8m	£122.2m

In practice, each employer was assessed individually in setting the minimum contributions due from them over the inter-valuation period. Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in the triennial valuation report.

ASSUMPTIONS

The key assumptions used to value the liabilities at 31 March 2019 are summarised below:

Assumptions	Assumptions used for the 2019 valuation
Financial assumptions	
Market date	31 March 2019
CPI inflation	2.6% p.a.
Long-term salary increases	3.6% p.a.
Discount rate (active employers)	4.6% p.a.
Discount rate (non-active employers)	2.6% p.a.
Volatility reserve – category 2 employers	5% loading on past service liability
Volatility reserve – category 3 employers	10% loading on past service liability
Asset reserve in respect of McCloud/Sargeant	1.5% of assets
Demographic assumptions	
Post-retirement mortality	
Member base tables	S3PA_H
Member mortality multiplier (Male/Female)	85%/95%
Dependant base tables (Male/Female)	S3DMA/S3DFA
Dependant mortality multiplier (Male/Female)	110%/125%
Projection model	CMI 2018
Long-term rate of improvement	1.5% p.a.
Smoothing parameter	7.5
Initial addition to improvements	0.5% p.a.

ACTUARY'S STATEMENT

The mortality assumptions translate to life expectancies as follows:

Assumed life expectancies at age 65

Average life expectancy for current pensioners - men currently age 65	21.8 years
Average life expectancy for current pensioners - women currently age 65	24.0 years
Average life expectancy for future pensioners - men currently age 45	23.7 years
Average life expectancy for future pensioners - women currently age 45	25.9 years

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2019 valuation report.

UPDATED POSITION SINCE THE 2019 VALUATION

The former West Midlands Integrated Transport Authority Pension Fund (WMITAPF) merged with the West Midlands Pension Fund on 1 April 2019. The assets and liabilities associated with the two participating employers in the WMITAPF have since been transferred to two separate admission body funds (ABFs). Details of the actuarial funding position of the two ABFs, and their associated funding assumptions, can be found in our formal valuation report once published.

In terms of investment performance, returns have been strong for the first three quarters following the valuation date. However, recent market movements have seen significant falls in equity values. As at 31 March 2020, in market value terms, the Fund assets were significantly less than where they were projected to be based on the previous valuation.

The projected liabilities will have increased due to the accrual of new benefits net of benefits paid, but offset by lower levels of projected future inflation. However, the potential reduction in the value of the liabilities will be offset by lower expected future investment returns reflected in the discount rate underlying the valuation model.

On balance, we estimate that the funding position is likely to be similar when compared on a consistent basis to 31 March 2019. However, please note that this estimate is based on smoothed financial assumptions designed to manage volatility in markets. On an unsmoothed basis, considering market conditions as at 31 March 2020 only, the funding level will have deteriorated.

Future investment returns that will be achieved by the Fund in the short term are more uncertain than usual, in particular the return from equities due to actual and potential reductions and suspensions of dividends. There are also the other uncertainties around future benefits, relating to the McCloud and Sargeant cases and the ongoing cost cap management process.

We will continue to monitor the impact on the Fund and review the appropriateness of the assumptions used in our funding model.

Melanie Durrant FIA
Principal, Barnett Waddingham



STATEMENT OF ACCOUNTS

- 93** Independent Auditor's Report to the Members of City of Wolverhampton Council on the Pension Fund Financial Statements of West Midlands Pension Fund
- 94** Statement of Responsibilities
- 95** Fund Account and Net Assets Statement
- 96** Notes to the Accounts

INDEPENDENT AUDITOR'S REPORT

Independent auditor's report to the members of City of Wolverhampton Council on the consistency of the pension fund financial statements of West Midlands Pension Fund included in the Pension Fund Annual Report

OPINION

The pension fund financial statements of West Midlands Pension Fund (the 'pension fund') administered by City of Wolverhampton Council (the "Authority") for the year ended 31 March 2020 which comprise the Fund Account, the Net Assets Statement and the Notes to the Pension Fund Statements, including a summary of significant accounting policies, are derived from the audited pension fund financial statements for the year ended 31 March 2020 included in the Authority's Statement of Accounts (the "Statement of Accounts").

In our opinion, the accompanying pension fund financial statements are consistent, in all material respects, with the audited financial statements in accordance with proper practices as defined in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and applicable law.

PENSION FUND ANNUAL REPORT – PENSION FUND FINANCIAL STATEMENTS

The Pension Fund Annual Report and the pension fund financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the Statement of Accounts. Reading the pension fund financial statements and the auditor's report thereon is not a substitute for reading the audited Statement of Accounts and the auditor's report thereon.

THE AUDITED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the pension fund financial statements in the Statement of Accounts in our report dated 30 November 2020.

That report also includes an *Emphasis of Matter - effects of Covid-19 on the valuation of property investments* section that draws attention to Notes P5 and P16 in the audited pension fund financial statements, which is replicated in Notes P5 and P16 of the pension fund financial statements. Note P5 describes how the independent property valuation agents were unable to fully rely on previous market experience to inform opinions on properties and the Fund's directly held property valuation is therefore reported on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS 'Red Book Global'. Note P16 reiterates this information. As stated in our report dated 30 November 2020, our opinion is not modified in respect of this matter.

DIRECTOR OF FINANCE'S RESPONSIBILITIES FOR THE PENSION FUND FINANCIAL STATEMENTS IN THE PENSION FUND ANNUAL REPORT

Under the Local Government Pension Scheme Regulations 2013 the Director of Finance of the Authority is responsible for the preparation of the pension fund financial statements, which must include the Fund Account, the Net Asset Statement and supporting notes and disclosures prepared in accordance with proper practices. Proper practices for the pension fund financial statements in both the Statement of Accounts and the Pension Fund Annual Report are set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the pension fund financial statements in the Pension Fund Annual Report are consistent, in all material respects, with the audited pension fund financial statements in the Statement of Accounts based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial Statements.

USE OF OUR REPORT

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 paragraph 20(5) of the Local Audit and Accountability Act 2014 and as set out in paragraph 43 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Patterson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

30 November 2020

STATEMENT OF ACCOUNTS

STATEMENT OF RESPONSIBILITIES

THE COUNCIL'S RESPONSIBILITIES

The Council is required to:

- i) Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance.
- ii) Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- iii) Approve the Statement of Accounts.

THE DIRECTOR OF FINANCE'S RESPONSIBILITIES

The Director of Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

In preparing this Statement of Accounts, the Director of Finance has:

- i) Selected suitable accounting policies and then applied them consistently.
- ii) Made judgements and estimates that were reasonable and prudent.
- iii) Complied with the Code.

The Director of Finance has also:

- i) Kept proper accounting records which were up to date.
- ii) Taken reasonable steps for the prevention and detection of fraud and other irregularities.

CERTIFICATION OF THE DIRECTOR OF FINANCE

I certify that the above responsibilities have been complied with and the Statement of Accounts herewith presents a true and fair view of the financial position of the Council as at 31 March 2020 and its income and expenditure for the year ended on the same date.

Claire Nye
Director of Finance

Date: 30 November 2020

COUNCILLOR APPROVAL FOR THE ACCOUNTS

Responsibility for councillor approval of the Council's Statement of Accounts lies with the Audit and Risk Committee. The Statement of Accounts was presented by the Director of Finance to the Audit and Risk Committee on 26 November 2020 and was formally approved at that meeting subject to final amendments being agreed by the Chair of the Committee.

Councillor Alan Butt
Chair, Audit and Risk Committee

Date: 30 November 2020

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

FUND ACCOUNT

2018/19 £m		Note	2019/20 £m
	Contributions and benefits		
272.7	Contributions receivable	8	353.2
43.5	Transfers in	9	31.2
14.5	Other income	10	14.3
330.7	Total contributions and other income		398.7
(589.7)	Benefits payable	11	(637.8)
(37.3)	Payments to and on account of leavers	12	(40.0)
(4.4)	Other payments		(0.9)
(631.4)	Total benefits and other expenditure		(678.7)
(300.7)	Net withdrawals from dealings with members		(280.0)
(87.4)	Management expenses	13	(91.5)
-	Transfer in of WMITA Fund at market value	9	491.7
	Returns on Investments		
237.9	Investment Income	14	178.2
(0.7)	Taxes on income		-
445.2	Changes in value of investments	16	(745.1)
-	Revaluation of bulk annuity insurance buy-in contract	17	20.7
682.4	Net return on investments		(546.2)
294.3	Net increase/(decrease) in the Fund during the year		(426.0)
15,419.8	Net assets of the Fund at the beginning of the year		15,714.1
15,714.1	Net assets of the Fund at the end of the year		15,288.1

NET ASSETS STATEMENT

31 March 2019 £m		Note	31 March 2020 £m
	Investment assets (at market value)	15	
339.8	Bonds		494.0
40.0	UK equities		28.9
1,301.3	Overseas equities		1,408.8
11,481.8	Pooled investment vehicles		10,869.9
980.7	Property		965.1
20.7	Derivatives - futures		11.7
1.0	Derivatives - forward foreign exchange		-
690.6	Foreign currency holdings		582.5
821.8	Cash deposits		569.6
51.8	Other investment assets		75.8
0.5	Outstanding dividend entitlement and recoverable withholding tax		7.0
15,730.0	Investment assets		15,013.3
	Investment liabilities (at market value)	15	
(2.8)	Derivatives - forward foreign exchange		(76.8)
(152.1)	Other investment liabilities		-
(154.9)	Investment liabilities		(76.8)
15,575.1	Net investment assets		14,936.5
-	Bulk annuity insurance buy-in contract	17	229.4
113.7	Long-term debtors	19	14.5
47.3	Current assets	20	132.4
(22.0)	Current liabilities	21	(24.7)
15,714.1	Net assets of the Fund at the end of the year		15,288.1

The accounts summarise the transactions of the Fund and deal with the net assets at its disposal. They do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits is disclosed at note 6.

The notes form part of these financial statements.

NOTES TO THE ACCOUNTS

NOTE 1 - GENERAL

The description in this note is a high-level summary of the Fund's activities and more detail is available in the Fund's Annual Report which can be found on its website.

West Midlands Pension Fund is part of the Local Government Pension Scheme and is administered by the City of Wolverhampton Council on behalf of all local authorities in the West Midlands and other employers who have members in the Fund. Membership of the Fund is available to all local government employees including non-teaching staff of schools and further and higher education corporations in the West Midlands region together with employees of scheduled and admitted bodies. At 31 March 2020, the Fund had 704 participating employers and 333,934 members as set out in the following table.

A full list of participating employers can be found in the [Fund's Annual Report](#).

1 April 2019		31 March 2020
121,035	Active members	117,950
95,991	Pensioner members	104,045
106,769	Deferred members	111,939
323,795	Total	333,934

In 2019/20, following the enactment of UK Statutory Instrument 2019 No. 1351 ("the Local Government Pension Scheme (West Midlands Integrated Transport Authority Pension Fund and West Midlands Pension Fund Merger) Regulations 2019, all the assets and liabilities of the former West Midlands Integrated Transport Authority Pension Fund (WMITA) transferred to West Midlands Pension Fund. For any person for whom the appropriate administering authority had been, or would have been, the West Midlands Combined Authority, the appropriate administering authority became Wolverhampton City Council. The regulations effecting this change came into full legal force on 8 November 2019 but with retrospective effect in a legal and accounting sense from 1 April 2019 (the "merger date" cited in the legislation).

The Fund's membership numbers at 31 March 2020 as reported above include the following as a result of the merger with the WMITA Fund: active members 272, pensioner members 4,044 and deferred members 580.

The responsibility for administering the Fund is delegated to the Council's Pensions Committee. It meets at approximately quarterly intervals and has members from each of the seven metropolitan district councils in the West Midlands. A Pensions Board was also in operation during 2019/20. Membership of the Committee and Board can be found on the City of Wolverhampton Council website: <http://wolverhampton.moderngov.co.uk/mgListCommittees.aspx?bcr=1>

The scheme is governed by the Public Services Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:

- i) The Local Government Pension Scheme Regulations 2013 (as amended)
- ii) The Local Government Pension Scheme (Transitional Provisions, Saving and Amendments) Regulations 2014 (as amended)
- iii) The Local Government Pensions Scheme (Management and Investment of Funds) Regulations 2016

The scheme is a contributory defined benefit pension scheme. Benefits are funded by contributions and investment earnings. Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2020. In addition to employee contributions, employers' contributions are paid as set based on triennial actuarial funding valuations. The valuation in relation to 2019/20 contribution rates was conducted at 31 March 2016. Employer contribution rates during 2019/20 ranged from 10.2% to 44.7% of pensionable pay.

Major changes were introduced to the LGPS from 1 April 2014, in particular, the move from basing pensions on final salaries to career-average revalued earnings (CARE) with an accrual rate of 1/49th and pensions uprated annually in line with the Consumer Price Index. Pension entitlements accrued prior to this date continue to be based on final salary.

Further to direction from government, local authority investment pools have been created to bring together the investment assets of LGPS pension funds into eight Investment Pools. LGPS Central Limited (LGPSC), the company established to manage investments on behalf of nine LGPS funds including West Midlands Pension Fund (WMPF) and the West Midlands Integrated Transport Authority Pension Fund (now merged with WMPF), received authorisation from the Financial Conduct Authority in 2018 and the LGPS Central regional investment asset pool went live on 1 April 2018.

As at 31 March 2020, WMPF had assets of £5,318m managed in LGPSC sub-funds comprising £5,217m managed through Authorised Contractual Scheme (ACS) sub-funds and a further £101m managed through a Scottish Limited Liability Partnership vehicle.

Work is underway to develop further LGPS Central Limited sub-funds in collaboration with LGPS Central investment asset pool Partner Funds and WMPF will continue to review the decision to transition assets on a case-by-case basis dependent on the sub-fund meeting the strategic requirements of WMPF. The transition of the Fund's remaining assets into products offered by LGPS Central Limited is expected to take several years.

WMPF has a number of advisory arrangements in place with LGPSC to support with advice and sometimes to facilitate execution on the underlying assets of legacy portfolios managed directly by the Fund. It is likely that some of these advisory and execution mandates will remain in place for some time to come due to the illiquid nature of the investments and the cost-effectiveness of transition.

NOTES TO THE ACCOUNTS

NOTE 2 - BASIS OF PREPARATION

The Statement of Accounts summarises the Fund's transactions for the 2019/20 financial year and its financial position as at 31 March 2020. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 (the Code) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS) 19 basis, is disclosed at Note 6 of these accounts.

As disclosed above, during 2019/20 all assets and liabilities of the former West Midlands Integrated Transport Authority Pension Fund transferred to the West Midlands Pension Fund and transactions occurring after that date (on an accruals basis) are attributable to WMPF. The relevant assets and liabilities have been treated in these accounts as having been transferred at the values applicable on the "merger date" 1 April 2019. The Fund Account for 2019/20 therefore includes:

- a transfer (shown separately) of the total market value of WMITA as at 1 April 2019 including accrued income and expenses at that date.
- all income and expense transactions related to the former WMITA Pension Fund since 1 April 2019 shown on a consolidated basis.

The transfer value of the WMITA Fund shown in these accounts is based on the Net Assets Statement in the audited accounts of the WMITA Fund for the year to 31 March 2019. The audit was performed by Grant Thornton LLP and their audit report was signed in July 2019.

The accounts have been prepared on a going concern basis.

NOTE 3 - STATEMENT OF ACCOUNTING POLICIES

a) Fund account

In the Fund Account, income and expenditure are accounted for in the year in which they accrue by the creation of payables and receivables at the year end where necessary. Provision has not been made where the amount payable or receivable in relation to transfers was not agreed at the year end (see note 9).

b) Contribution income

Contributions receivable have been included in the accounts on the accruals basis at the rates recommended by the Fund's actuary for basic contributions. Additional contributions (including past service deficit contributions and excluding additional voluntary contributions) as notified by employers for the period have also been included. Past service deficit contributions are accounted for in the year in which they are payable under the schedule of contributions set by the scheme actuary.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid is classed as a current financial asset with amounts due after the following year classed as long-term financial assets.

Where employing organisations have not submitted all of the certified returns of contributions payable by the due date for preparation of these accounts, an estimate has been made based on the monthly returns actually received from these bodies.

c) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who had either transferred benefits in or out of the scheme as at 31 March 2020, calculated in accordance with the Local Government Pension Scheme Regulations (see notes to the accounts). Transfers in respect of individuals are accounted for when received or paid which is normally when the member liability is accepted or discharged. Group transfers are accounted for on an

accruals basis in accordance with the terms of the transfer agreement.

Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are reported within transfers in.

d) Investment income

i) Interest income

Interest income is recognised in the Fund Account as it accrues using the effective interest rate of the financial instrument as at the date of acquisition or origination.

ii) Dividend income

Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is disclosed in the Net Assets Statement as a current financial asset.

iii) Distributions from pooled funds

Distributions from pooled funds are recognised at the date of issue. Investment income arising from the underlying investments of pooled investment vehicles is rolled up and reinvested within the pooled investment vehicles. This is reflected in the relevant unit price and reported within 'Change in Market Value'.

iv) Property-related income

Property-related income (consisting primarily of rental income from operating leases) is recognised on a straight-line basis over the term of the lease. Any lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Contingent rents based on the future amount of a factor that changes other than with the passage of time, such as turnover rents, are only recognised when contractually due.

v) Changes in the value of investments

Changes in the net market value of investments (including investment properties) are recognised as income and comprise all realised and unrealised profits/losses during the year.

NOTES TO THE ACCOUNTS

vi) Stocklending income

Stock lending income is accounted for on a cash basis.

e) Taxation

The Fund is a registered public service scheme under section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin unless exemption is permitted. Irrecoverable tax is accounted for as an expense as it arises.

f) Benefits payable

Pensions and lump sum benefits payable include all amounts known to be due as at 31 March 2020. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities.

g) Financial assets

The LGPS Central pool trading company, LGPS Central Limited, only became licensed to trade on 1 April 2018. The Pension Fund's view is that for 31 March 2020, cost is still an appropriate estimate of the fair value of shares held in this company.

Financial assets are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. From this date, any gains or losses arising from changes in the fair value of the asset are recognised in the Fund Account.

The values of investments as shown in the Net Assets Statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see note 17 to the accounts). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

h) Freehold and leasehold properties

Properties are valued annually as at the year end by independent valuers on a fair value basis. The market values included in these accounts are contained in a valuation report by Savills plc (in accordance with Royal Institute of Chartered Surveyors valuation standards) as at 31 March 2020. All investment property assets are subject to annual revaluation, one third of the commercial property portfolio is valued fully in March each year with the remaining two thirds being a 'desktop' valuation. Agricultural properties were valued by Browns, agricultural valuers, at the same date.

i) Foreign currencies

Investments held in foreign currencies have been valued as set out in paragraph g) above and translated at exchange rates ruling at 31 March 2020.

Dividends, interest and purchases and sales of investments have been accounted for at the spot market rates at the date of transaction. End of year spot market exchange rates have been used to value cash balances held in foreign currency bank accounts, market values of overseas investments and purchases and sales outstanding at 31 March 2020.

j) Derivatives

The Fund uses derivative financial instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes.

Purchases and sales of derivatives are recognised as follows: Futures – on close out or expiry the variation margins are recognised as cash receipts or payments depending on whether there is a gain or loss. Forward currency contracts settlements are reported as gross receipts and payments.

k) Movement in the net market value of investments

Any gains or losses arising on translation of investments into sterling are accounted for as a change in the market value of investments.

l) Cash and cash equivalents

Cash comprises cash in hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value.

m) Financial liabilities

The Fund recognises financial liabilities at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the Fund becomes party to the liability. From this date, any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

n) Management expenses

The Fund discloses its management expenses in accordance with the CIPFA guidance Accounting for Local Government Pension Scheme Management Expenses 2016.

All administrative expenses are accounted for on an accruals basis. The costs of Fund officers are recharged to the Fund along with all other costs incurred directly on Fund activities and an apportionment for corporate support services provided by the administering authority.

All investment management expenses are accounted for on an accruals basis. External investment management and custodian fees are agreed in management or custody agreements governing the administration of the individual mandates. Fees are generally based on the valuation of the underlying investments either being managed or in safe custody. In addition, performance-related fees are negotiated with a number of managers and the amounts of such fees are provided in a note to the accounts.

Where a management fee notification has not been received by the time of preparing these accounts, an estimate based upon the market value of the relevant mandate is used for inclusion in the Fund Account.

The cost of external investment advice is included in investment management expenses as is the cost of any 'in-house' Fund investment activity.

NOTES TO THE ACCOUNTS

o) Actuarial present value of promised retirement benefits

The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary in accordance with the requirements of IAS 19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (see note 5).

p) Additional voluntary contributions

The Fund provides an additional voluntary contributions (AVC) scheme for its members the assets of which are invested separately from those of the Fund. The Fund has appointed Prudential Assurance Company Limited and, following its assumption of the former Equitable Life business on 1 January 2020, Utmost Life and Pensions as its AVC providers. AVCs are paid to the provider by employers and are specifically for providing additional benefits for individual contributors. Each contributor receives an annual statement showing the amount held in their account and the movements in the year. AVCs are not included in the accounts in accordance with section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 but are disclosed as a note only (see note 22).

The AVC arrangements pertaining to the former WMITA Fund have transferred to West Midlands Pension Fund under the merger. These arrangements with Prudential Assurance Company Limited and Utmost Life and Pensions Limited operate on the same basis as described above and will continue to be provided within the West Midlands Pension Fund.

NOTE 4 - CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**Unquoted private equity investments**

The valuation of unquoted securities is based on the latest investor reports and financial statements provided by the fund managers of the underlying funds adjusted for transactions arising after the date of such reports. A discount may be applied by the fund manager where trading restrictions apply to such securities. Where the first investor valuation report has not been received from the fund manager the security is valued at cost. The value of unquoted private equity at 31 March 2020 was £1,203.3 million (£1,010.4 million at 31 March 2019).

Bulk annuity insurance buy-in contract

The transfer of assets from the WMITA Fund included a bulk annuity insurance buy-in contract with Prudential Retirement Income Limited. The insurance cover provides that the insurer underwrites the risk for meeting the liabilities of a specified group of pensioners on the WMITA pensions payroll as at 11 August 2011. The insurance provider will pay the cost of the monthly pension payments for this group whilst they or their dependants are entitled to a pension.

The bulk annuity insurance buy-in contract is included in the Net Assets Statement as an asset and is valued at year end by the Actuary.

Pension Fund liability

The pension fund liability is calculated every three years by the appointed Actuary with annual updates in the

intervening years. The methodology used is in line with accepted guidelines and in accordance with IAS 19. Assumptions underpinning the valuations are agreed with the Actuary and are summarised in Note 6. This estimate is subject to significant variances based on changes to the underlying assumptions.

NOTE 5 - ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY**Actuarial present value of promised retirement benefits****Uncertainties**

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries and pensions are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Barnett Waddingham, the Fund's consulting Actuaries, are engaged to provide expert advice about the assumptions to be applied.

Effect if actual results differ from assumptions

The effects on the net pension liability of changes in individual assumptions can be measured. For instance, an increase in the discount rate assumption would result in a decrease in the pension liability; however, an increase in assumed earnings inflation or assumed life expectancy would significantly increase the pension liability as detailed by the Fund's consulting Actuary below:

Change in assumptions – year ended 31 March 2020	Approx. % increase in liabilities	Approx. monetary value £m
0.5% p.a. decrease in discount rate	11%	2,481.9
1 year increase in member life expectancy	4%	993.5
0.5% p.a. increase in salary increase rate	1%	227.0
0.5% p.a. increase in CPI inflation	10%	2,253.6

NOTES TO THE ACCOUNTS

Fair value of investments

Uncertainties

Certain types of investments are not publicly listed and, as such, there is a degree of estimation involved in their valuation.

Covid-19 valuation uncertainty

The Covid-19 global pandemic caused unprecedented worldwide disruption across almost all industries from Q1 2020. Valuations of listed investments such as global equities declined c20% on world financial markets in the first quarter of this calendar year and, while the effect of the pandemic is immediately apparent on listed equity and fixed interest holdings, the impact on other asset types is less clear and is revealed over a longer period of time. This is the case for some of the Fund's less liquid and harder to value investments in Property, Infrastructure and Private Equity. There is always a degree of uncertainty inherent in the valuation of these 'level 3' assets as some element of judgement has to be applied and Covid-19 has served to amplify this uncertainty for 2019/20.

Travel and lockdown restrictions have significantly impacted the operating performance of a number of assets in the Fund's Property and Infrastructure portfolios. In their valuation report for the quarter to 31 March 2020, the independent property valuation agents were unable to rely fully on previous market experience to inform opinions on properties and the Fund's directly held property valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS 'Red Book Global'.

Obtaining timely valuation is a perennial issue with Private Equity where the valuation of investment vehicles often has to be 'stale' or 'lagged' due to the unavailability of pricing information as at the Fund's year end date (by the time the Statement of Accounts has been prepared and audited). Valuations are by necessity estimated and may not fully reflect the performance of the vehicles underlying portfolio of investments. The Covid-19 pandemic is expected to have impacted the trading performance of many investments in this asset class and in some cases, this impact will not have been captured in the values disclosed in this Statement of Accounts. Although it is possible there could be some overstatement of the value of Private Equity assets, analysis completed during the audit process suggests that this variance will not be material.

Any long term affect on the Fund's investments will take some time to become fully evident. The Fund has not made any adjustments in these accounts to try to reflect potential changes to market values of level 3 investments where they have not been available for year end.

Effect if actual results differ from assumptions

The use of estimates for investment values is greatest for those assets classified at Level 3 which means there is a risk that these investments may be over/under stated in the accounts. The total value of Level 3 investments is £3,469.4m at 31 March 2020 (£3,401.1m at 31 March 2019). The assets classified as Level 3 and the sensitivity of the valuation methods employed is described in note 17.

NOTE 6 - ACTUARIAL VALUATION OF THE FUND

The contribution rates applicable to the period 1 April 2017 to 31 March 2020 were determined by the Fund's Actuary, G Muir of Barnett Waddingham LLP as part of the full actuarial valuation of the Fund made as at 31 March 2016.

On the basis of the assumptions adopted, the valuation revealed that the value of the Fund's assets of £11,569.0 million represented 81% of the funding target of £14,219.0 million at the valuation date. The valuation also showed that a primary rate of contribution of 18.6% of pensionable pay per annum was required from employers. The common rate is calculated as being sufficient, together with contributions paid by members, to meet all liabilities arising in respect of service after the valuation date.

In general, the Fund applies a maximum deficit recovery period of 20 years. The aim is to achieve 100% solvency over the period and to provide stability in employer contribution rates. In practice, each individual employer's position is assessed separately and the contributions required are set out in the report dated 31 March 2017. In addition to the certified contribution rates, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

The funding plan adopted in assessing the contributions for each individual employer is in accordance with the *Funding Strategy Statement (FSS)*. Different approaches adopted in implementing contribution increases and deficit recovery periods are as determined through the FSS consultation process.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

As a result of the valuation, a revised Rates and Adjustments certificate was prepared for the three years commencing 1 April 2017. For comparison purposes, the figures for the two preceding years are also shown. The minimum payable by the seven councils was certified as follows:

Future service rate (% of pay) plus lump-sum (£)	2015/16	2016/17	2017/18	2018/19	2019/20
Birmingham City Council	12.9% plus £41,870,400	13.4% plus £43,724,800	15.3% plus £61,800,000 (£125.0m)	16.8% plus £61,800,000 (£124.0m)	18.3% plus £61,500,000 (£124.2m)
Coventry City Council	12.7% plus £12,395,000	13.1% plus £15,518,000	16.8% plus £12,000,000 (£31.1m)	16.8% plus £12,000,000 (£31.1m)	16.8% plus £12,000,000 (£31.1m)
Dudley MBC	12.7% plus £9,174,000	13.2% plus £10,931,000	15.4% plus £9,500,000 (£30.2m)	17.0% plus £9,700,000 (£31.3m)	18.6% plus £9,600,000 (£32.3m)
Sandwell MBC	13.1% plus £15,323,200	13.1% plus £19,227,200	14.7% plus £16,900,000 (£16.9m)	16.2% plus £17,000,000 (£17.0m)	17.7% plus £16,900,000 (£16.9m)
Solihull MBC	12.9%	13.5%	14.7% plus £5,000,000 (£15.6m)	16.5% plus £5,100,000 (£16.6m)	18.4% plus £5,100,000 (£17.4)
Walsall MBC	13.2% plus £14,835,000	13.2% plus £15,518,000	15.4% plus £14,000,000 (£28.0m)	16.9% plus £14,800,000 (£30.2m)	18.3% plus £15,000,000 (£31.5m)
City of Wolverhampton Council	13.1% plus £9,900,000	13.5% plus £10,900,000	15.5% plus £13,300,000 (£29.2m)	16.8% plus £14,000,000	18.1% plus £14,600,000

The amounts shown in brackets are due in the year where the Council has opted to make a cash payment in advance. These amounts were received by the Fund in April 2017. The valuation was carried out using the projected unit actuarial method and the main actuarial assumptions used for assessing the Funding Target and the common contribution rate were as follows:

	2016	2013
Rate of return on investments:	4.7% per annum	5.6% per annum
Rate of pay increases:	3.9% per annum	4.35% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension):	2.4% per annum	2.6% per annum

The assets were assessed at market value.

The latest triennial actuarial valuation of the Fund position as at 31 March 2019 has recently been completed and this was again conducted by the Fund's Actuaries, Barnett Waddingham LLP. Based on the results of this valuation, the contribution rates payable by the individual employers will be revised with effect from 1 April 2020. The 31 March 2019 Actuarial Valuation report can be found on the Fund's website.

Actuarial present value of promised retirement benefits for the purposes of IAS 26

IAS 26 requires the present value of the Fund's promised retirement benefits to be disclosed and for this purpose, the actuarial assumptions and methodology used should be based on IAS 19 rather than the assumptions and methodology used for funding purposes.

To assess the value of the benefits on this basis, the following financial assumptions have been used:

	31 March 2019	31 March 2020
Rate of return on investments (discount rate)	2.40% per annum	2.35% per annum
Rate of pay increases	3.90% per annum	2.90% per annum
Rate of increases in pensions in payment (in excess of Guaranteed Minimum Pension)	2.40% per annum	1.90% per annum

The value of the Fund's promised retirement benefits for the purposes of IAS 26 as at 31 March 2019 was estimated as £22,591.3 million. The effect of the changes in actuarial assumptions between 31 March 2019 and 31 March 2020 as described above is to reduce the liabilities by £2,428.9 million. Adding interest over the year increases the liabilities by £536.5 million and allowing for net benefits accrued/paid over the period increases the liabilities by £187.8 million which includes any increase arising as a result of early retirements/augmentations. There is an increase of £1,003.5 million as a result of allowing for actual experience or outcomes which were different in hindsight to that assumed previously and, a change in mortality rates assumptions increases liabilities by a further £658.3 million. The merger with the WMITA Fund adds £543.3 million to liabilities.

The net effect of all the above is that the estimated total value of the Fund's promised retirement benefits as at 31 March 2020 is therefore £23,091.8 million.

NOTES TO THE ACCOUNTS

NOTE 7 - TAXATION

1 Value added tax (VAT)

The Fund (as part of the City of Wolverhampton Council) pays VAT collected on income in excess of VAT payable on expenditure to HMRC. The accounts are shown exclusive of VAT.

2 Taxation of overseas investment income

The Fund receives interest on its overseas bonds gross but a variety of arrangements apply for the taxation of dividends on overseas equities in the various markets.

In some markets, a lower-than-standard tax rate is available, either as a result of a double tax treaty in place between the UK and the investment country (e.g. Poland, Canada, Italy, Sweden) or based on favourable domestic legislation (e.g. Australia, Czech Republic, Singapore). Where this is the case, relief may be granted at source based on documentation already on file (e.g. USA, Belgium, Australia, Finland, France and Norway), or ex post via reclaim forms submitted to the local tax authorities (e.g. Austria, Denmark, Germany, Netherlands, Switzerland and Spain).

There are also markets where relief is not possible - either no double taxation agreement exists (e.g. Brazil, Colombia, Lebanon), or a 'subject to tax' clause prevents UK pension funds from benefiting from treaty rates (e.g. Israel, Malaysia, Portugal). In such cases, the full amount of tax is withheld and is final.

NOTE 8 - CONTRIBUTIONS RECEIVABLE

Contributions receivable by type

2018/19 £m	2019/20 £m
From employers	
105.3	170.3
40.2	42.6
24.2	19.2
169.7	232.1
From members	
102.3	120.5
0.7	0.6
103.0	121.1
272.7	353.2

Following the actuarial valuation as at 31 March 2016, some employers chose to pay their full three-year future service and past service deficit contributions as a lump sum in 2017/18. The lump sums paid by the seven councils and accounted for in 2017/18 are shown in the table in note 6. Additionally, having paid £5.5m on account in January 2018, City of Wolverhampton Council paid the balance of its 2018/19 and 2019/20 future service and past service deficit contributions by lump sum payment of £57.3m on 30 April 2018. The additional contributions above represent the purchase of added membership or additional benefits under the pension scheme.

Contributions receivable by type of employer

2018/19 £m	2019/20 £m
54.8	9.1
190.0	300.4
27.9	43.7
272.7	353.2

NOTE 9 - TRANSFERS IN

2018/19 £m	2019/20 £m
14.9	-
28.6	31.2
43.5	31.2

Analysis of transfer value from West Midlands Integrated Transport Authority Pension Fund

	1 April 2019 £m
Investments transferred in specie	263.5
Bulk annuity insurance buy-in contract	224.5
Cash deposits	3.9
Current assets	0.6
Current liabilities	(0.8)
Total	491.7

NOTE 10 - OTHER INCOME

2018/19 £m	2019/20 £m
Benefits recharged to employers	
7.7	7.4
6.8	6.9
14.5	14.3

NOTE 11 - BENEFITS PAYABLE

Benefits payable by type

2018/19 £m	2019/20 £m
Pensions	
434.7	485.9
29.2	30.0
1.0	1.0
5.5	6.1
0.2	0.2
0.2	0.2
0.3	0.5
471.1	523.9
Lump sum benefits	
106.0	100.0
12.6	13.9
118.6	113.9
589.7	637.8

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

Benefits payable by type of employer

2018/19 £m		2019/20 £m
49.8	Administering authority	51.5
490.6	Other scheduled employers	507.2
49.3	Admitted employers	79.1
589.7	Total	637.8

NOTE 12 - PAYMENTS TO AND ON ACCOUNT OF LEAVERS

2018/19 £m		2019/20 £m
32.7	Individual transfers	37.6
1.9	Refunds of contributions	2.4
0.1	State scheme premiums	-
2.6	Bulk pension transfer increases	-
37.3	Total	40.0

NOTE 13 - MANAGEMENT EXPENSES

2018/19 £m		2019/20 £m
5.1	Administrative costs	6.0
79.9	Investment management expenses, comprising:	82.6
47.5	- Management fees	52.1
13.0	- Performance-related fees	12.0
15.2	- Transaction costs	14.2
0.4	- Custody fees	0.3
3.8	- LGPS Central Limited	4.0
2.4	Oversight and governance costs	2.9
87.4	Total management costs	91.5

Included in administrative costs of £6.0m above are external audit fees of £72,930 (2018/19: £50,438). The charge for 2019/20 comprises the current year audit fee of £62,886 plus £6,574 and £8,000 invoiced by Grant Thornton respectively for additional audit and IAS19 assurance work required in 2018/19 less a refund of £4,530 received via the Public Sector Audit Appointments agency.

Performance-related fees are negotiated with a number of managers. Included in external management of investments are performance related fees of £12 million in 2019/20 (2018/19: £13 million).

The guidance requires that external investment management fees that are deducted from asset values (rather than invoiced and paid directly) are shown gross. Wherever possible, the figures are based on actual costs disclosed by the manager; where actual costs were not available, best estimates have been made using other available information.

NOTE 14 - INVESTMENT INCOME

2018/19 £m		2019/20 £m
	Dividends and interest	
	Bonds	
7.5	UK private sector – quoted	7.1
	Equities	
9.2	UK private sector – quoted	0.9
51.9	Overseas	39.9
	Pooled investment vehicles	
103.1	UK private sector – quoted	74.1
7.0	Overseas equities	6.8
5.2	Interest on cash deposits	9.4
0.9	Stocklending	0.7
0.5	Other investment income	2.1
185.3	Total dividends and interest	141.0
62.5	Property management income	47.4
(9.9)	Property management expenses	(10.2)
52.6	Total property management	37.2
237.9	Total investment income	178.2

Stocklending

The stocklending programme provides for direct equity investments to be lent. At the year end the value of quoted equities on loan was £384.3m (2019: £215.8m) in exchange for which the custodian held collateral worth £416m (2019: £238.6m) representing 108% of stock lent (2019: 111%).

These equities continue to be recognised in the Fund's financial statements and the collateral consists of acceptable securities and government debt.

During the period the stock is on loan, the voting rights on the loaned stock pass to the borrower.

There are no liabilities associated with the loaned assets.

Other investment income

Other investment income includes the following: class action income, liquidation proceeds and tax refunds.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

NOTE 15 - NET INVESTMENT ASSETS

31 March 2019 £m		31 March 2020 £m
Bonds		
187.9	UK companies – segregated (external)	186.6
151.9	Overseas sovereign – index-linked	307.4
339.8		494.0
UK equities		
38.0	Quoted	26.9
2.0	Unquoted	2.0
40.0		28.9
Overseas equities		
27.5	Quoted	61.9
1,273.8	Quoted – segregated (external)	1,346.9
1,301.3		1,408.8
Pooled investment vehicles		
Managed funds		
584.8	UK fixed interest	632.5
1,112.3	Other fixed interest	1,051.4
920.6	UK quoted, index linked	971.0
1,244.1	UK quoted equities (pooled assets)	856.0
4,723.9	Overseas quoted equities (pooled assets)	4,425.9
818.5	Infrastructure	772.8
1,010.4	Private equity	1,203.3
530.4	UK absolute returns	464.9
61.0	Overseas absolute returns	63.3
-	Multi asset credit	45.3
60.0	UK property	79.7
167.5	Overseas property	156.0
Unit trusts		
162.8	UK quoted equities	40.4
-	UK property	107.3
85.3	Overseas equities	-
0.2	Overseas property	0.1
11,481.8		10,869.9
Property		
934.2	UK freehold	918.9
46.5	UK leasehold*	46.2
980.7		965.1
Derivative contracts		
20.7	Futures	11.7
1.0	Forward currency contracts	-
21.7		11.7

31 March 2019 £m		31 March 2020 £m
Foreign currency holdings		
0.5	Australian dollars	0.4
0.6	Canadian dollars	0.6
1.0	Czech koruna	1.3
0.5	Danish kroner	0.5
208.8	Euro	113.3
239.4	Hong Kong dollars	135.7
0.5	Hungarian forints	0.6
5.4	Japanese yen	5.9
-	Mexican peso	1.9
0.5	New Zealand dollars	0.5
0.5	Norwegian kroner	0.4
0.5	Polish zloty	0.5
0.8	Singapore dollars	1.3
2.9	Swedish kroner	2.9
3.1	Swiss francs	5.2
0.6	Turkish lira	1.0
225.0	United States dollars	310.5
690.6		582.5
Cash deposits		
488.0	UK	456.7
333.8	US	112.9
821.8		569.6
Other investments		
51.8	Broker balances	75.8
0.5	Outstanding dividend entitlement and recoverable withholding tax	7.0
52.3		82.8
15,730.0	Total investment assets	15,013.3
Investment liabilities		
Derivative contracts		
(2.8)	Forward currency contracts	(76.8)
(2.8)		(76.8)
Other liabilities		
(152.1)	Amounts payable for purchases	-
(152.1)		-
(154.9)	Total investment liabilities	(76.8)
15,575.1	Net investment assets	14,936.5

* All leasehold properties are held on long leases

Segregated accounts are held separately from the main account by the global custodian and contain assets managed by some of the Fund's external managers.

The following investments represent more than 5% of the net assets of the Fund. All of these companies are registered in the UK.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

31 March 2019			31 March 2020	
Market value £m	% of total market value %		Market value £m	% of total market value %
Security				
3,649.8	23.5	LGPS Central Global Ex-UK Passive Equity Fund	1,835.1	12.3
-	-	LGPS Central All World Equity Climate Multi Factor Fund	1,382.4	9.3
1,244.1	8.0	LGPS Central Global UK Passive Equity Fund	850.9	5.7
791.2	5.1	LGPS Central Global Equity Active Multi-Manager Fund	715.3	4.8
920.6	5.9	Legal & General – All Stocks Index-Linked Gilts Fund	971.0	6.5

The proportion of the market value of investment assets managed in the regional asset pool and by each external manager at the year-end is set out below.

31 March 2019			31 March 2020	
Market value £m	% of total market value %		Market value £m	% of total market value %
Investments managed by LGPS Central Limited regional asset pool:				
4,723.9	30.4	Authorised Contractual Schemes (ACS) - global equities	4,366.3	29.2
1,244.1	8.0	Authorised Contractual Schemes (ACS) - UK equities	850.9	5.7
-	-	Scottish Limited Liability Partnership - private equity	101.3	0.7
5,968.0	38.4		5,318.5	35.6
Investments managed outside of LGPS Central Limited regional asset pool:				
2,579.3	16.6	In-house	2,142.9	14.3
162.8	1.0	Managers: UK quoted	152.9	1.0
1,273.8	8.2	Managers: emerging markets	1,042.1	7.0
85.3	0.5	Managers: global equities	364.4	2.4
2,805.6	18.2	Managers: fixed interest	3,148.9	21.1
227.7	1.5	Managers: indirect property	235.7	1.6
818.5	5.3	Managers: infrastructure funds	772.8	5.2
591.4	3.8	Managers: absolute return	573.5	3.8
1,010.4	6.5	Managers: private equity	1,102.0	7.4
9,554.8	61.6		9,535.2	63.8
52.3		Outstanding dividend entitlement and recoverable withholding tax	82.8	
15,575.1		Net investment assets	14,936.5	

Analysis of derivatives

Objectives and policies for holding derivatives

During the year the Fund approved the use of both forward foreign currency hedging and exchange traded futures contracts for the purpose of hedging exposures to reduce risk in the Fund and to gain exposure to assets more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreements in place between the Fund and the various investment managers.

a) Futures

During 2018/19, the Fund made a decision to transition assets out of an internal global equity portfolio and into a new sustainable global equities mandate. Recognising that there would be some lead time in implementing this strategy, as and when the existing portfolio was realised, proceeds were invested in global equity futures pending transition to the sustainable mandate. The Fund retained exposure to these Futures during 2019/20 as the implementation of the mandate progresses.

The Fund has also invested in gilt futures to help align the weighting in this area with its strategic target and as a tool for risk management. The use of futures enables the Fund to invest cash in higher returning assets at relatively lower cost whilst retaining flexibility to switch money cheaply into the income

assets that the Fund may be targeting. From time to time, the Fund may use futures (typically gilt or equity futures) to gain tactical market exposure. The Fund will also continue to use futures to manage transitions, ensuring efficient portfolio management and potentially manage active currency risk not covered by the passive hedging strategy. The economic exposure represents the notional value of stock purchased under futures contracts and is therefore subject to market movements.

b) Forward foreign currency

To reduce the volatility associated with fluctuating currency rates, the Fund has a passive currency programme in place. The Fund commenced its currency hedging programme in September 2017 following approval by Committee to amend the Strategic Investment Allocation Benchmark to reflect the passive currency management programme. The Fund's hedging programme aims to protect returns in sterling terms and reduce currency risk. The neutral hedge ratio is considered to be 50% based on the strategic weight of each region but actual hedge ratios applied will vary from time to time with a rebalancing taking place on a monthly basis to reflect changing market values.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

c) Open forward currency contracts

Settlement	Currency bought	Local value £m	Currency sold	Local value £m	Asset value £m	Liability value £m
One to six months	GBP	622.2	EUR	720.2	-	(16.1)
One to six months	GBP	1,070.6	USD	1,404.6	-	(60.7)
Open forward currency contracts at 31 March 2020					-	(76.8)
Net forward currency contracts at 31 March 2020						(76.8)
Prior year comparative						
Open forward currency contracts at 31 March 2019					1.0	(2.8)
Net forward currency contracts at 31 March 2019						(1.8)

d) Open exchange traded futures contracts

Type	Expires	Economic exposure £m	Market value 31 March 2019 £m	Economic exposure £m	Market value 31 March 2020 £m
Assets					
UK equity	Under one year	59.9	1.1	71.3	6.6
Overseas equity	Under one year	730.4	19.3	469.2	2.6
UK bond	Under one year	150	0.3	158.3	2.5
Total assets			20.7		11.7

NOTE 16 - INVESTMENT MARKET VALUE MOVEMENTS ANALYSIS

	Value as at 31 March 2019 £m	Transfer of assets from WMITA fund £m	Purchases at cost and derivative payments £m	Sales proceeds and derivative receipts £m	Investment management fees deducted at source £m	Change in market value £m	Value as at 31 March 2020 £m
Bonds	339.8	-	99.6	-	-	54.6	494.0
UK equities	40.0	-	-	(11.5)	-	0.4	28.9
Overseas equities	1,301.3	-	353.3	(0.4)	-	(245.4)	1,408.8
Pooled investment vehicles	11,481.8	263.5	8,413.8	(8,684.6)	(66.9)	(537.7)	10,869.9
Property	980.7	-	18.5	(1.9)	-	(32.2)	965.1
	14,143.6	263.5	8,885.2	(8,698.4)	(66.9)	(760.3)	13,766.7
Derivative contracts							
Futures	20.7	-	141.4	(200.7)	-	50.3	11.7
Forward foreign exchange	(1.8)	-	282.5	(322.4)	-	(35.1)	(76.8)
	14,162.5	263.5	9,309.1	(9,221.5)	(66.9)	(745.1)	13,701.6
Broker balances	51.8	-	-	-	-	-	75.8
Outstanding dividend entitlement and recoverable withholding tax	0.5	-	-	-	-	-	7.0
Amounts payable for purchases of investments	(152.1)	-	-	-	-	-	-
Foreign currency	690.6	-	-	-	-	-	582.5
Cash deposits	821.8	3.9	-	-	-	-	569.6
Total investments	15,575.1	267.4					14,936.5

The change in market value of investments comprises both increases and decreases in the market value of investments held at any time during the year and profits and losses realised on the sales of investments during the year.

Purchases also include transfers in of investments, take-over of shares etc. and invested income. Sales proceeds include all receipts from sales of investments, transfers out of investments, take-over proceeds etc. and reductions in cash deposits including profits or losses realised on the sale.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the Fund such as fees, commissions, stamp duty and other fees. Transaction costs during the year amounted to £14.2 million (2018/19: £15.2 million). In addition to the transaction costs disclosed below, indirect costs are incurred through the bid-offer spread of investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Fund.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

For 2019/20, the disclosure in note 16 has been changed to be consistent with the CIPFA Code. Sales are now stated at market value. This is a change from previous years when note 16 reported sales at book value and impacts the disclosure of comparative change in market value which is shown in these accounts as £445.2m. In the Fund's accounts for the year to 31 March 2019, this figure was reported separately as £2,002.2m realised profits on disposals less £1,557m decrease in market values.

The change in the value of investments during 2018/19 is set out below:

	Value as at 31 March 2018 £m	Purchases at cost and derivative payments £m	Sales proceeds and derivative receipts £m	Investment management fees deducted at source £m	Change in market value £m	Value as at 31 March 2019 £m
Bonds	188.5	151.3	-	-	-	339.8
UK equities	1,494.2	0.2	(1,451.7)	(0.8)	(1.9)	40.0
Overseas equities	6,343.5	13.9	(4,551.6)	(2.1)	(502.4)	1,301.3
Pooled investment vehicles	5,351.9	7,820.1	(2,489.6)	(59.3)	858.7	11,481.8
Property	862.8	120.5	(25.5)	-	22.9	980.7
	14,240.9	8,106.0	(8,518.4)	(62.2)	377.3	14,143.6
Derivative contracts						
Futures	-	51.7	(4.2)	-	(26.8)	20.7
Forward foreign exchange	44.9	167.0	(308.4)	-	94.7	(1.8)
	14,285.8	8,324.7	(8,831.0)	(62.2)	445.2	14,162.5
Broker balances	0.4				51.8	
Outstanding dividend entitlement and recoverable withholding tax	45.2				0.5	
Amounts payable for purchases of investments	-					(152.1)
Foreign currency	126.0					690.6
Cash deposits	830.1					821.8
Total investments	15,287.5					15,575.1

NOTE 16i - PROPERTY HOLDINGS

The Fund's investment property portfolio comprises a number of directly owned properties which are leased commercially to various tenants. Details of these directly owned properties are as follows:

2018/19 £m		2019/20 £m
862.8	Opening balance	980.7
120.5	Additions	18.5
(25.5)	Disposals	(1.9)
22.9	Net change in market value	(32.2)
980.7	Closing balance	965.1

There are no restrictions on the realisability of the property or the remittance of income or proceeds on disposal and the Fund is not under any contractual obligation to purchase, construct or develop any of these properties nor does it have any responsibility for any repairs, maintenance or enhancements.

1 April 2019 £m		31 March 2020 £m
15.2	Pooled investment vehicles	14.2
15.2		14.2

The volatility of investment markets is an ever-present and longstanding feature of pension fund management and valuations may vary, either up or down, throughout each day when exchanges are open.

The future minimum lease payments receivable by the Fund are as follows:

31 March 2019 £000		31 March 2020 £000
40,056	Within one year	43,025
142,444	Between one and five years	156,653
164,249	Later than five years	174,138
346,749	Total future lease payments due under existing contracts	373,816

The receivables above have been reduced by a credit loss allowance of 1.0% per annum reflecting the Fund's expected loss from late or non-recovery of rents from tenants. This deduction is based on advice from the Fund's property letting agents.

In their valuation report for the quarter to 31 March 2020, the independent property valuation agents were unable to rely fully on previous market experience to inform opinions on properties and their valuations were therefore reported on the basis of 'material valuation uncertainty'.

NOTES TO THE ACCOUNTS

NOTE 17 - FAIR VALUE - BASIS OF VALUATION

The basis of the valuation of each class of investment assets is detailed below. There has not been any change in the valuation techniques used during the year. All assets have been valued using fair value techniques which represent the highest and best price available at the reporting date.

Asset type	Valuation level	Basis of valuation	Observable and unobservable inputs	Key sensitivity
Market quoted investments	1	Published bid market price ruling on 31 March 2020.	n/a	n/a
Quoted bonds	1	Market bid price based on current yields.	n/a	n/a
Futures	1	Published exchange prices at 31 March 2020.	n/a	n/a
Unquoted bonds	2	Average of broker prices.	Evaluated price feeds.	n/a
Pooled investment vehicles - unit trusts and property funds	2	PIV are stated at the bid price quoted or the closing single market prices.	Net asset value (NAV) based pricing set on a forward pricing basis.	n/a
Forward foreign exchange derivatives	2	Market forward exchange rates at 31 March 2020.	Exchange rate risk.	n/a
Freehold and leasehold properties	3	Valued at fair value at the year-end using the investment valuation reports of Savills Plc. One third of the commercial property portfolio is valued fully in March each year, with the remaining two thirds being a 'desktop' valuation. Agricultural properties are valued by Browns at the year end.	Existing lease terms and rentals, independent market research, tenant covenant strength, estimated vacancy levels, estimated rental growth, discount rate.	Significant changes in rental growth, vacancy levels or discount rate could affect valuations
Unquoted equity (includes private equity, infrastructure and absolute return/diversified growth funds)	3	Value is based on the latest investor reports and financial statements provided by the fund managers of the underlying funds, adjusted for transactions arising after the date of such reports.	Earnings before interest, tax, depreciation and amortisation (EBITDA) multiple, revenue multiple, discount for lack of marketability.	Could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, by changes to expected cashflows, and by any differences between audited and unaudited accounts.
Bulk annuity insurance buy-in	3	Provided by the Fund's Actuary based on a roll-forward of the value placed on the buy-in as part of the WMITA Fund 2019 triennial actuarial valuation, allowing for estimated level pensions paid and the change in the discount rate used to value the buy-in.	Key underlying inputs for the valuation are the discount rate and life expectancy. Discount rate has been set at 0.43% with reference to the 11-year point of the Bank of England nominal gilt yield curve, consistent with the 2019 valuation of the WMITA Fund.	Adjustments to discount rate and life expectancy.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

Sensitivity of assets valued at level 3

The table below details the Fund's review of financial information as provided by independent advisors. The valuation methods detailed above are likely to be accurate to within the ranges and, as set out below, the consequent potential impact on the closing value of investments at 31 March 2020.

Level 3 assets	Valuation range % (+/-)	Valuation at 31 March 2020 £m	Valuation increase £m	Valuation decrease £m
Freehold and leasehold property	11.7	965.1	1,078.0	852.2
Private equity	26.2	1,203.3	1,518.6	888.0
Infrastructure	13.8	772.8	879.4	666.2
Absolute return/diversified growth	12.8	528.2	595.8	460.6
Unit trusts - UK property	11.7	107.3	119.9	94.7
Total		3,576.7	4,191.7	2,961.7

The key underlying inputs for the annuity insurance buy-in level 3 valuation are the discount rate and life expectancy. The impact of changes as calculated by the Fund's Actuary is shown below:

Change in assumptions - year ended 31 March 2020	Adjustment	Valuation at 31 March 2020 £m	Valuation increase £m	Valuation decrease £m
Adjustment to discount rate	(-/+) 0.5%	229.4	240.8	218.5
Adjustment to life expectancy assumptions	(+/-) 1 year	229.4	244.5	215.2

NOTE 17i - FAIR VALUE HIERARCHY

The valuation of financial instruments has been classified into three levels according to the quality and reliability of information used to determine fair values. Criteria utilised in the instrument classifications are detailed below:

Level 1

Financial instruments at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as level 1 comprise quoted equities, quoted fixed interest securities, quoted index linked securities and unit trusts. Listed investments are shown at bid prices. The bid value of the investment is based on the bid market quotation of the relevant stock exchange.

Level 2

Financial instruments at Level 2 are those where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3

Financial instruments at Level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data. Such instruments would include unquoted equity investments and hedge fund of funds, which are valued using various valuation techniques that require significant judgement in the determining appropriate assumptions.

The values of the investments in private equity, infrastructure and absolute return/diversified growth funds are based on the latest investor reports and financial statements provided by the fund managers of the underlying funds. Valuations are undertaken quarterly and an adjustment is made to roll forward the latest available valuation to 31 March as appropriate.

The values of the investments in hedge funds are based on the net asset value provided by the fund manager. Fund valuations are obtained through external experts with assurance provided via the audit opinion. The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which fair value is observable.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

The following table provides an analysis of the financial assets and liabilities of the pension fund grouped into levels 1 to 3, based on the level at which fair value is observable.

	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Total value at 31 March 2020				
Financial assets				
Financial assets at fair value through profit and loss	6,705.0	3,496.7	2,611.6	12,813.3
Non- financial assets at fair value through profit and loss			965.1	965.1
Financial liabilities at fair value through profit and loss		(76.8)		(76.8)
	6,705.0	3,419.9	3,576.7	13,701.6
Bulk annuity insurance buy-in at fair value through profit and loss			229.4	229.4
Net financial assets	6,705.0	3,419.9	3,806.1	13,931.0

	Quoted market price Level 1 £m	Using observable inputs Level 2 £m	With significant unobservable inputs Level 3 £m	Total £m
Total value at 31 March 2019				
Financial assets				
Financial assets at fair value through profit and loss	7,576.0	3,188.2	2,420.4	13,184.6
Non- financial assets at fair value through profit and loss			980.7	980.7
Financial liabilities at fair value through profit and loss	-	(2.8)	-	(2.8)
Net financial assets	7,576.0	3,185.4	3,401.1	14,162.5

NOTE 17ii - RECONCILIATION OF FAIR VALUE MEASUREMENTS WITHIN LEVEL 3

Period 2019/20	Market value 1 April 2019 £m	Transfer of assets from WMITA Fund	Transfers into level 3 £m	Purchases during the year £m	Sales during the year £m	Unrealised gains/ losses £m	Realised gains/ losses £m	Market value 31 March 2020 £m
Freehold and leasehold property	980.7	-	-	18.5	(2.3)	(29.5)	(2.3)	965.1
Private equity	1,010.4	-	-	229.1	(174.0)	62.0	75.8	1,203.3
Infrastructure	818.5	-	-	28.1	(93.3)	(25.1)	44.6	772.8
Absolute return/diversified growth	591.5	95.2	-	176.0	314.7	(610.4)	(38.8)	528.2
Unit trusts - UK property	-	-	107.3	-	-	-	-	107.3
Total	3,401.1	95.2	107.3	451.7	45.1	(603.0)	79.3	3,576.7

Bulk annuity insurance buy-in contract

The transfer of assets from the WMITA Fund included a bulk annuity insurance buy-in contract with Prudential Retirement Income Limited. The insurance cover provides that the insurer underwrites the risk for meeting the liabilities of a specified group of pensioners on the WMITA pensions payroll as at 11 August 2011. The insurance provider will pay the cost of the monthly pension payments for this group whilst they or their dependants are entitled to a pension.

The change in demographic assumptions results from updating mortality assumptions to be in line with those adopted for the WMITA Fund 2019 triennial funding valuation. The change in actuarial assumptions arises from the reduction in the discount rate from 1.3% at 31 March 2019 to 0.43% at 31 March 2020.

	31 March 2020 £m
Bulk annuity insurance buy-in contract value transferred in 1 April 2019	224.5
Actuarial revaluation of insurance contract:	
Interest on buy-in	2.8
Change in demographic assumptions	5.2
Change in actuarial assumptions	18.1
Actuarial experience	(5.4)
	20.7
Level pensions paid by insurer	(15.8)
Closing market value	229.4

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

NOTE 18 - INVESTMENT CAPITAL COMMITMENTS

Investment commitments at the end of the financial year in respect of future payments were:

31 March 2019 £m		31 March 2020 £m
814.6	Non-publicly quoted equities and infrastructure	1,146.6
103.9	Property	85.4
918.5		1,232.0

These amounts relate to outstanding commitments due on funds held in the private equity, fixed interest, absolute return and alternative investment portfolios.

NOTE 19 - LONG TERM DEBTORS

31 March 2019 £m		31 March 2020 £m
82.6	Private equity consolidation proceeds	-
28.9	Early retirement costs	11.6
2.2	Reimbursement of lifetime tax allowances	2.9
113.7	Total	14.5

During 2018/19, the Fund contracted to sell a number of small limited partnership private equity holdings in the secondary markets for the total sum of £184.6m. £102m of the proceeds were received by 31 March 2019 and the balance is receivable in two instalments of £29.3m due by 28 August 2020 and £53.3m due by 29 September 2020. The total outstanding of £82.6m was therefore reported as long term debtors in 2018/19 but is included in Current Assets - Other Receivables for 2019/20.

The Fund has agreed for certain employers to defer payment of amounts due to meet early retirement costs and £11.6m is due after the following financial year (2018/19: £28.9m). The instalments due in 20/21 are reported in Current Assets.

NOTE 20 - CURRENT ASSETS

31 March 2019 £m		31 March 2020 £m
	Receivables and prepayments	
	Contributions receivable	
11.8	- Employers' future service	12.8
4.7	- Employers' past service deficit	6.0
9.6	- Members	10.5
19.0	Other receivables	103.1
45.1	Total receivables and prepayments	132.4
2.2	Cash	-
47.3	Total current assets	132.4

Following the bulk transfer of Magistrates Courts Committee staff to the Civil Service Pension Scheme on 31 March 2005, it was calculated by Mercer Limited that the Fund is due to receive a total of £27.7 million. This was to be paid in 10 equal and annual instalments commencing on 15 April 2011 and

finishing on 15 April 2020 together with interest payments resulting in annual income of £3.3 million. The final payment of £3.26m was received into the Fund's bank account on 17 April 2020.

NOTE 21 - CURRENT LIABILITIES

31 March 2019 £m		31 March 2020 £m
	Payables and receipts in advance	
(5.9)	Pensions and lump sum benefits	(3.7)
-	Receipts in advance	(5.2)
(16.1)	Other payables	(15.8)
(22.0)	Total	(24.7)

NOTE 22 - ADDITIONAL VOLUNTARY CONTRIBUTIONS

As well as joining the Fund, scheme members can pay into an additional voluntary contribution (AVC) scheme run by two AVC providers. Contributions are paid directly from scheme members to the AVC providers.

The contributions are not included within the Fund accounts, in line with regulation 4 (2) (b) of the Pension Scheme (Management and Investment of Funds) Regulations 2009. The table below shows the activity for each AVC provider in the year.

31 March 2019			31 March 2020	
Utmost Life £m	Prudential £m		Utmost Life £m	Prudential £m
1.8	37.8	Opening value of the Fund	1.6	37.6
-	-	WMITA Fund AVC balances consolidated following merger	0.1	0.6
-	5.9	Income	0.3	6.0
(0.3)	(7.6)	Expenditure	(0.1)	(5.6)
0.1	1.5	Change in market value	(0.1)	(1.0)
1.6	37.6	Closing value of the Fund	1.8	37.6

The Fund had originally appointed Prudential Assurance Company Limited and Equitable Life Assurance Society as AVC providers. On 1 January 2020, the business of Equitable Life including all member AVC policies was transferred to Utmost Life and Pensions.

NOTE 23 - POST YEAR-END TRANSACTIONS

There were no post year-end transactions that require disclosure in the accounts.

NOTES TO THE ACCOUNTS

Net gains and losses on financial instruments

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

Risks in return-seeking assets include market risk (the greatest risk), issuer risk and volatility, which are partly mitigated by diversification across asset classes, global markets and investments funds. Mitigating interest rate risk and inflation risk points to significant investment in bonds but doing so at the expense of return-seeking assets would increase the costs of funding. Stabilising assets backed by the UK Government are considered low risk. However, corporate bonds carry some additional issuer risk.

Counterparty risk

In deciding to effect any transaction for the Fund, considerable steps are taken to ensure that the counterparty is suitable and reliable, that the transaction is in line with the Fund's strategy and that the terms and circumstances of the transaction are the best available in the relevant market at the time. Comprehensive due diligence processes are in place to ensure that any potential counterparty is authorised and regulated, competent to deal in investments of the type and size contemplated and has appropriate administration arrangements with regard to independent auditors, robust administration and accounting, relevant legal structure and experienced staff.

Credit risk

The Fund's deposits with financial institutions as at 31 March 2020 totalled £569.6 million in respect of temporary loans and treasury management instruments (31 March 2019: £821.8 million). The Fund's surplus cash may be placed with an approved financial institution on a short-term basis and in accordance with the cash management policy and restrictions set out in the Compliance Manual. The policy specifies the cash deposit limit with each approved counterparty, as determined by a comprehensive scoring exercise undertaken by Fund officers using specialist rating and market research data, which is reviewed on a regular basis.

Proposed counterparties are assessed using an amalgamation of credit ratings and market research with the resulting 'score' determining the suitability and individual limit in each case. Due diligence is conducted on potential money market funds with criteria such as AAA rating, same day access and minimum assets under management being prerequisite. A credit rating sensitivity analysis as at 31 March 2020 is shown overleaf:

Credit rating sensitivity analysis		Value at 31 March 2019 £m	Value at 31 March 2020 £m
Summary	Long term Fitch rating*		
Money market funds			
HSBC Sterling Liquidity Fund	Aaa-mf	157.4	191.1
HSBC USD Liquidity Fund Class H	Aaa-mf	333.8	112.9
LGIM Liquidity Fund	AAAmf	111.0	132.8
Insight Liquidity Fund	AAAmf	0.9	26.9
Invesco Liquidity Fund	AAAmf	-	2.9
Bank deposit accounts			
NatWest Corporate Cash Manager Account	A+	129.9	-
CBRE Client Account West Midlands Met Authority		15.7	13.1
HSBC Global Active	AA-	73.1	89.9
Total		821.8	569.6

Liquidity risk

The Fund has a comprehensive daily cash flow management procedure which seeks to ensure that cash is available as needed. Due to the cashflow management procedures and the liquidity of certain asset types held, there is no significant risk that the Fund will be unable to raise cash in order to meet its liabilities. The Fund actually uses this liquidity risk to its benefit, taking advantage of the illiquidity premium found in investments such as private equity.

Foreign exchange risk

The Fund's exposure to foreign exchange risk is managed through the diversification of portfolios across sectors, countries and geographic regions, along with continuous monitoring and management of holdings. In addition, the Fund's currency exposure is managed in line with the daily cash management policy.

Securities lending

As at 31 March 2020, £384.3 million of stock was on loan to an agreed list of approved borrowers through the Fund's custodian in its capacity as agent lender (31 March 2019: £215.8 million). The loans were covered by non-cash collateral in the form of equities, gilts, DBVs and G10 sovereign debt, totalling £416 million, giving a margin of 8.2% (2018/19, £238.6 million, margin of 10.6%).

Collateral is marked to market, adjusted daily and held by a tri-party agent on behalf of the Fund. Net income from stocklending amounted to £0.7 million during the year (2018/19: £0.9 million) and is detailed in note 14 to the accounts. The Fund retains its economic interest in stocks on loan and therefore, the value is included in the Fund valuation. There is, however, an obligation to return collateral to the borrowers therefore, its value is excluded from the Fund valuation. The securities lending programme is indemnified, giving the Fund further protection against losses.

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

Reputational risk

The Fund's prudent approach to the collective risks listed above and compliance with best practice in corporate governance, ensures that reputational risk is kept to a minimum.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all such instruments in the market. The Fund is exposed to share and derivative price risk, which arises from investments held by the Fund for which the future price is uncertain. The Fund mitigates price risk through diversification and the selection of securities and other financial instruments is monitored by the Council to ensure it is within limits specified in the Fund investment strategy.

Other price risk - sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's performance advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the 2019/20 reporting period:

Market risk - Other price risk

Asset type	Value as at 31 March 2020 £m	% change	Value on increase £m	Value on decrease £m
UK equities	1,027.5	18.7%	1,219.6	835.4
Global equities (ex UK)	5,775.1	16.5%	6,728.0	4,822.2
Property	235.7	11.7%	263.3	208.1
Fixed interest*	3,103.9	5.5%	3,274.6	2,933.2
Private equity	1,203.3	26.2%	1,518.6	888.0
Alternatives**	1,210.8	11.2%	1,346.4	1,075.2
Total Fund (See note below)	12,556.3		14,350.5	10,762.1

*includes exposure to fixed interest gilts, index-linked gilts, corporate bonds, cash, high yield debt, emerging market debt, mezzanine debt, convertibles and senior loans.

**includes exposure to absolute return (£438m) and infrastructure (£772.8m)

The total Fund volatility taking into account the expected interactions between the different asset classes shown, based on the underlying volatilities and correlations of the assets, in line with mean variance portfolio theory is 10.5%. On this basis, the total value on increase is £13,874.7 million and the total value on decrease is £11,237.9 million. Due to the approach taken to determine the total Fund volatility (in which the beneficial impact of diversification is recognised), the monetary impact on the total Fund assets is determined using the total Fund volatility, which is lower than the sum of the monetary impact for each asset class.

Asset type	Value as at 31 March 2019 £m	% change	Value on increase £m	Value on decrease £m
UK equities	1,446.9	16.6%	1,687.1	1,206.7
Global equities (ex UK)	6,110.5	16.9%	7,143.2	5,077.8
Property	227.7	14.3%	260.3	195.1
Fixed interest*	2,957.5	8.3%	3,203.0	2,712.0
Private equity	1,010.4	28.3%	1,296.3	724.5
Alternatives**	1,409.9	16.8%	1,646.8	1,173.0
Total Fund (See note below)	13,162.9		15,236.7	11,089.1

*includes exposure to fixed interest gilts, index-linked gilts, corporate bonds, cash, high yield debt, emerging market debt, mezzanine debt, convertibles and senior loans.

**includes exposure to absolute return (£591.4m) and infrastructure (£818.5m)

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

Currency risk - sensitivity analysis

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than the functional currency of the Fund (£UK). The Fund holds both monetary and non-monetary assets denominated in currencies other than £UK. The following tables summarise the Fund's currency exposure as at 31 March 2020 and 31 March 2019:

Currency risk by asset class

Asset type	Value as at 31 March 2020 £m	% change	Value on increase £m	Value on decrease £m
Global equities (ex UK)	5,775.1	10.0%	6,352.6	5,197.6
Private equity	1,203.3	10.0%	1,323.6	1,083.0
Fixed interest	3,103.9	10.0%	3,414.3	2,793.5
Alternatives	1,210.8	10.0%	1,331.9	1,089.7
Property funds	156.0	10.0%	171.6	140.4
Liquid assets	758.9	10.0%	834.8	683.0
Total	12,208.0		13,428.8	10,987.2

Asset type	Value as at 31 March 2019 £m	% change	Value on increase £m	Value on decrease £m
Global equities (ex UK)	6,110.5	10.0%	6,721.6	5,499.5
Private equity	1,010.4	10.0%	1,111.4	909.4
Fixed interest	2,957.5	10.0%	3,253.3	2,661.8
Alternatives	1,409.9	10.0%	1,550.9	1,268.9
Property funds	167.5	10.0%	184.3	150.8
Liquid assets	1,074.0	10.0%	1,181.4	966.6
Total	12,729.8		14,002.9	11,457.0

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund's direct exposure to interest rate movements as at 31 March 2020 is set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value:

Interest rate risk - sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. The Fund's consulting actuary has advised that the assumed interest rate volatility is 100 basis points (BPS) per annum.

The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/-100 BPS change in interest rates:

Asset type	Carrying amount as at 31 March 2020 £m	Change in year in the net assets available to pay benefits +100BPS £m	-100BPS £m
Index-linked gilts	971.0	(201.0)	201.0
Gilts	189.9	(24.4)	24.4
Corporate bonds	614.7	(55.5)	55.5
Gilt future*	2.5	(0.2)	0.2
US TIPS	307.5	(37.3)	37.3
Total	2,085.6	(318.4)	318.4

* Economic exposure

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

Asset type	Carrying amount as at 31 March 2019 £m	Change in year in the net assets available to pay benefits +100BPS £m	-100BPS £m
Index-linked gilts	920.6	(203.5)	203.5
Gilts	172.7	(20.0)	20.0
Corporate bonds	585.1	(49.6)	49.6
Gilt future*	150.3	(13.1)	13.1
US TIPS	151.9	(18.5)	18.5
Total	1,980.6	(304.7)	304.7

NOTE 26 - IMPAIRMENT FOR BAD AND DOUBTFUL DEBTS

The following additions and write offs of pension payments were reported in this financial year, in line with the Fund's policy:

Additions analysis		
Individual value	Number	Total £
Less than £100	24	645
£100 - £500	4	591
Over £500	0	0
Total	28	1,236

Write-off analysis		
Individual value	Number	Total £
Less than £100	5	282
£100 - £500	62	10,513
Over £500	11	85,486
Total	78	96,281

NOTE 27 - RELATED PARTIES

Pensions administration and certain investment functions are performed by the City of Wolverhampton Council and the costs shown in Note 13 above are recharged to the Fund. Contributions of £9.1 million were receivable from the City of Wolverhampton Council for 2019/20 (2018/19: £64.1 million - having paid £5.5m on account in January 2018, City of Wolverhampton Council paid the balance of its 2018/19 and 2019/20 future service and past service deficit contributions by lump sum payment of £57.3m on 30 April 2018). Balances owed by and to the Council at the year end are shown in notes 19, 20 and 21.

Pensions Committee

Five members of the Pensions Committee are also members of the Fund as set out below:

Pensioner: Councillors Inston, Jaspal, Page and Tildesley

Active: Councillor Hevican

Each member of the Pensions Committee is required to declare any interests relevant to the matters being discussed at each meeting.

There are eight employing bodies of the Fund in which a member of the Committee has declared an interest for 2019/20.

Contributions from each of these employers are set out below:

Contributions receivable 2018/19 £000		Contributions receivable 2019/20 £000
-	Birmingham City University	10,412
175	Birmingham Museums Trust	147
64,100	City of Wolverhampton Council	9,106
-	Heath Park Academy - Central Learning Partnership Trust	82
21	Kingswood Trust	18
-	Sandwell MBC	35,354
-	University of Wolverhampton	12,616
218	Wolverhampton Girls High School	-
4,890	Wolverhampton Homes	5,017

STATEMENT OF ACCOUNTS

NOTES TO THE ACCOUNTS

LGPS Central Limited

LGPS Central Limited has been established to manage investment assets on behalf of nine Local Government Pension Scheme (LGPS) funds across the Midlands. It is jointly owned in equal shares by the eight administering authorities participating in the LGPS Central Pool, of which the City of Wolverhampton Council, as the administering authority for West Midlands Pension Fund, is one of the shareholders. Each authority has one Class A voting share in LGPS Central Limited.

The Fund has agreed a number of advisory agreements covering a range of asset classes within the fixed income portfolio and wider illiquid portfolios. LGPS Central Limited has also provided the Fund with execution only services in the management of forward currency hedging positions. The charges in respect of these services totalled £1.539m in 2019/20 (2018/19: £1.699m). The amount outstanding in respect of these services at 31 March 2020 was £0.477m (2018/19: £0.202m).

The Pension Fund was invoiced £2.496m in respect of governance, operator running and product development costs by LGPS Central Limited for 2019/20 (2018/19: £2.071m). The amount outstanding in respect of these services at 31 March 2020 was £0.950m (2018/19: £0.370m). Invoicing frequency changed from monthly to quarterly beginning with the quarter ended 31 March 2020 hence the larger amount outstanding at the end of 19/20.

LGPS Central Limited has let office space from the City of Wolverhampton Council since 1 April 2018 on a sub leasing arrangement. The rental income and rates receivable by the City of Wolverhampton Council from LGPS Central Limited in 2018/19 totalled £147,469 (2018/19: £81,798) and the reimbursement of associated utilities and maintenance charges for 2019/20 totalled £30,695 (2018/19: £8,021). In addition, West Midlands Pension Fund provided graphic design services to LGPS Central Limited for fees of £8,988 (2018/19: £11,770).

LGPS Central Limited is an admitted body and employs staff that are active members of the West Midlands Pension Fund. Normal contributions receivable from LGPS Central Limited for the year to 31 March 2020 were £442,700 (2018/19: £483,646).

The City of Wolverhampton Council (via the Pension Fund) has invested £1.315m in LGPS Central Limited class B shares and £0.685m in class C shares in 2017/18 and these are both balances at this year end.

Key management personnel

The Fund's current senior management comprises seven individuals: the Director of Pensions, Assistant Director (Finance & Investments), the Head of Operations, the Head of Pensions, the Head of Governance and Corporate Services, the Head of Finance and, since November 2019, the Head of Investments. The total salary paid to the senior management team in 2019/20 was £538,000 (2018/19: £458,000). In addition to this, employer's pension contributions of £171,000 (2018/19: £138,000) were met from the Fund in respect of these individuals.

NOTE 28 - EVENTS AFTER THE REPORTING DATE

Investment markets experienced sharp falls in the last few weeks of the financial year due to the impact of Coronavirus and the lockdown of economies around the world. Whilst valuations from many of the Fund's level 3 investments had been received in time for the year end accounts, a number remained outstanding and may see diminution in value when reporting in the quarter to the end of June 2020.

The Fund has not made any adjustments in these accounts to try to reflect potential changes to market values of level 3 investments where they have not been available for year end.

The long-term effects of the Coronavirus pandemic on the wider economy and the Fund's investments is difficult to assess at this time given the level of government support that has been provided to help both companies and individuals cope with the crisis. The Fund remains alert to the potential challenges continuing to arise from the pandemic and to such a sharp economic downturn and is working closely with its advisers and managers in the management of its portfolios with the focus remaining on achieving the Fund's long-term objectives. It should be noted that post year-end, investment markets have made significant recoveries pushing valuations on level 1 investment markets back up to previous highs.

The "McCloud" Court Judgement is likely to have significant ramifications for all public service pension schemes. When reforms were introduced in 2014 and 2015, protections were put in place for older scheme members. The Court of Appeal ruled that younger members of the Judges and Firefighters Pension schemes were discriminated against because the protections did not apply to them also. The Government has since confirmed that there will be changes to all public sector schemes to remove this age discrimination. The remedy and how it will be applied within the LGPS may not be confirmed for some time pending primary legislation for public sector schemes. There is therefore some uncertainty over the costs of any potential changes that might be required and these cannot at this time be calculated and included within the accounts.



PENSIONS ADMINISTRATION STRATEGY (PAS) 2019

PENSION ADMINISTRATION STRATEGY 2019

1 INTRODUCTION AND REGULATORY CONTEXT

This is the Pension Administration Strategy (PAS) of West Midlands Pension Fund (the Fund) in relation to the Local Government Pension Scheme (LGPS), which is administered by the City of Wolverhampton Council (the administering authority).

The Pension Administration Strategy is kept under review and revised to reflect changes to LGPS regulations and Fund policies and working practices. This document sets out a framework outlining the policies and performance standards to be achieved by the Fund and employers and is developed through a consultation process, to enable provision of a cost-effective and high quality pension administration service.

The LGPS is a statutory scheme and governed by regulations. The current regulations appertaining to administration are the LGPS Regulations 2013 (As Amended). In discharging their roles and responsibilities under these regulations, the Fund and employers are also required to comply with any pertinent overriding legislation and take appropriate recognition of any regulatory guidance or Code of Practice issued by The Pension Regulator.

In addition to the management and administration of pensions on behalf of the local authority employers within the West Midlands, the Fund also undertakes this role on behalf of the West Midlands Integrated Transport Authority (WMITA) by delegation under S101 of the Local Government Act 1972.

The roles, responsibilities and performance standards/measurements set out in this strategy apply equally to the WMITA employers and to the Fund's management of the WMITA fund.

An efficient and effective scheme administration service requires the following:

- Clear point of contact, roles and responsibility
- Timely exchange of information and payment of contributions
- Complete and accurate notifications and communications
- Early notification of material changes
- Clear and timely responses to requests and queries

This strategy outlines the performance expected and the monitoring in place to support service delivery

2 AIMS

In line with the Fund's objectives, the aim of the PAS is to partner with our employers to provide a high quality service to our members delivered through efficient working practices.

We do that through detailing the expected performance of the Fund and its employers in meeting both the legal and regulatory duty of scheme administration as set out in the Pension Regulator's Code of Practice.

The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers, most notably the timely exchange of accurate information in relation to scheme members.

The primary method of exchange is via the employer web portal providing a secure link which can be tracked for audit purposes.

This Pension Administration Strategy sets out the expected levels of performance of the Fund and the scheme employers. The strategy provides details about the monitoring of performance levels and the action(s) that could be taken where standards are not met by employers and/or when persistent non-compliance occurs.

The Pension Administration Strategy, of which this iteration is effective from April 2019, was introduced in April 2015, with revisions since that date captured in this document. The Fund will continue to keep the strategy and policy document under review and update as required to reflect changes in scheme regulations and Fund working practices.

PENSION ADMINISTRATION STRATEGY 2019

3 ROLES AND RESPONSIBILITIES

Overriding legislation dictates minimum standards that pension schemes should meet in providing certain pieces of information to the various parties associated with the LGPS. In addition, regulatory guidance sets out a number of requirements for the Fund and scheme employers to provide information to each other, scheme members and prospective scheme members, dependants, other pension arrangements or other regulatory bodies.

3.1 Scheme Employer

3.1.1 Duties and Responsibilities

Function/Task		Expectation
1	General information	
1.1	Confirm nominated representative(s) to receive information from the Fund via the submission of a completed contact form via employer web portal	By 30 April each year (to be submitted via employer web portal) or within 30 days of becoming a scheme employer
1.2	Appoint a person (the adjudicator) to consider disputes under stage 1 of the pension internal dispute process (IDRP) and provide full up-to-date contact details to the Fund	Notify Employer Services at the Fund within 30 days of becoming a scheme employer or following the resignation of the current adjudicator
1.3	Formulate, publish and keep under review policies in relation to all areas where the employer may exercise a discretion within the LGPS ¹	A copy of the policy document is to be submitted to the Employer Services team at the Fund within one month of the change in policy
1.4	Distribute any information provided by the Fund to scheme members/potential scheme members (eg, scheme benefits or benefit statement production)	In a timely manner, as required
1.5	Notify the Fund in advance of any employer initiatives, (eg, employer mergers) policy decisions or practices which could have an impact on LGPS member benefits to include, but not limited to, bulk transfer changes	As soon as possible once the decision has been made or initiative/practice has been finalised as a minimum Where possible, earlier contact is preferable to enable the Fund to discuss and understand the implications

¹ For further information on which regulations require a policy, please see Regulation 60 in The Local Government Regulations 2013 (www.lgpsregs.org)

PENSION ADMINISTRATION STRATEGY 2019

Function/Task		Expectation
2	Contributions	
2.1	Remit employer and employee contributions to the Fund due each month	By 19th of the following month
2.2	Implement changes to employer contribution rates as instructed by the Fund at the date specified by the Fund's actuary	In line with the Rates Adjustment Certificate issued by the actuary following each triennial valuation or following review in line with the LGPS regulations or on commencement as a scheme employer within the Fund as notified in writing
2.3	Provide a breakdown of monthly employer and AVC contributions for reconciliation against payment ²	By 19th of the following month
2.4	Ensure and arrange for the correct deduction of employee contributions from a member's pensionable pay and throughout their membership in the scheme (including any periods of leave)	As required, typically monthly
2.5	Manage the deduction of all additional contributions or amend such deductions, as appropriate	As required
2.6	Arrange for the deduction of AVCs and payment over of contributions to the AVC provider(s) and inform the Fund as required	As required, typically monthly
2.7	Make additional Fund payments in relation to early payment of benefits from flexible retirement, redundancy or business efficiency retirement or where a member retires early with employer's consent and a funding strain cost arises	Within 30 days of receipt of invoice from the Fund

² Breakdown needs to be provided on an individual employer basis where payment is made in respect of more than one participating employer, eg, where responsible for client payroll

Function/Task		Expectation
3	Contracting out of service	
3.1	Notify the Fund of the contracting out of services which will involve a TUPE transfer of staff to another organisation so that information can be provided to assist in the decision	Where possible, three months prior but at latest the point of deciding to tender
3.2	Work with the Fund to arrange for an admission agreement or such other admission arrangement and documentation as required, to be put in place when contracting out a service, and assist in ensuring it is complied with	Three months in advance of the date of contract
3.3	Notify the Fund if the employer ceases to admit new scheme members or is considering membership of the Fund	As soon as the decision is made (early discussion with the terminating Fund is encouraged)

PENSION ADMINISTRATION STRATEGY 2019

Function/Task		Expectation
4	General administration and change notifications in relation to active members	
4.1	<p>Provide the Fund with the following member information on one monthly file (via employer web portal):</p> <ul style="list-style-type: none"> • New joiners • Changes in employees' circumstances which may impact Fund benefits (eg, movement in and out of the 50/50 scheme, marital or civil partnership status, maternity, paternity, career break, etc.) • Employee and employer contributions and earnings <p>Employer must ask the member for a statement in writing listing all the persons previous periods of employment</p>	<p>On a monthly basis, by the 19th of the following month, as part of the monthly submission upload via the employer web portal</p> <p>Members must be issued with a form A1 within three months from the date the person becomes a member</p>
4.2	Notify the Fund (via employer web portal) when a member is due to retire including an accurate assessment of final pay details and authorisation of the reason for retirement	<ul style="list-style-type: none"> • Notify the Fund when a member is due to retire: <ul style="list-style-type: none"> - up to one month following the date of retirement if the date of retirement is before normal pension age (NPA) or; - ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA)¹ <p>S4 retirement/death in service form (S4RB) to be submitted via employer web portal²</p>
4.3	Notify the Fund (via employer web portal) when a member leaves employment including an accurate assessment of final pay details	<p>Within 30 days of month end of date of leaving</p> <p>S4 early leaver form (S4EL/OPT) to be submitted via employer web portal²</p>
4.4	Notify the Fund (via employer web portal) of the death of a scheme member	<p>As soon as practicable, but within a maximum of ten days of the employer being notified</p> <p>S4 retirement/death in service form (S4RB) to be submitted via employer web portal²</p>
4.5	Review payment of Tier 3 ill-health benefits	After benefits have been in payment for 18 months

¹ Notification should not be given prior to the final earnings being known to avoid recalculation of member benefits

² On receipt of the appropriate S4 notification, where data is incomplete or inaccurate this may lead to delays in processing by the Fund should queries need to be raised

PENSION ADMINISTRATION STRATEGY 2019

3.12 Performance Measurements

The table below sets out the areas that employer performance will be routinely measured. The Fund will periodically review other employer responsibilities to ensure performance is in line with the expectations detailed in this strategy.

Performance area		Measurement (working days where applicable)
1	Contributions	
1.1	Remit employer and employee contributions to the Fund in full by the 19th of the following month	Payment of monthly employee and employer contributions Under the Pensions Act 2004 and the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014, The Pensions Regulator may be notified if the above requirement is not met
1.2	Provision of breakdown of employee, employer and AVC contributions for reconciliation against payment	Receipt of breakdown by 19th of the following month

Performance area		Measurement (working days where applicable)
2	General administration and change notifications in relation to active members	
2.1	Submission of a monthly data file and web remittance advice via employer web portal which includes the following in month data: <ul style="list-style-type: none"> • New joiners • Changes in employees' circumstances which may impact Fund benefits (eg, movement in and out of the 50/50 scheme, marital or civil partnership status, maternity, paternity, career break, etc.) • Employee and employer contributions and earnings 	By the 19th of the following month
2.2	To ensure optimum accuracy of monthly data files received	Less than 5% of the active member count as at 1 April to error on import into the pension administration system
2.3	The rectification of an accurate monthly data file where it has been necessary to return the file due to data inaccuracies	Within 20 days of receipt of file
2.4	Notify the Fund when a member is due to retire including an accurate assessment of final pay details and authorisation of the reason for retirement	<ul style="list-style-type: none"> • Notify the Fund when a member is due to retire: <ul style="list-style-type: none"> - up to one month following the date of retirement if the date of retirement is before normal pension age (NPA) or; - ASAP once final earnings are known, typically three weeks before and no later than one week after the date of leaving, if the member's benefits are payable on or after their normal pension age (NPA) S4 form to be submitted via employer web portal
2.5	Notify the Fund when a member leaves membership including an accurate assessment of final pay details using the method stipulated by the web portal	Within 30 days of month end of date of leaving Fund S4 form to be submitted via employer
2.6	Respond to enquiries from the Fund in regards to member notifications and submitted forms (ie, S15, N15 etc)	Within ten days from receipt of enquiry

PENSION ADMINISTRATION STRATEGY 2019

In line with The Pension Regulator's Code of Practice, the Fund in conjunction with its employers has implemented a two-stage process for dealing with pension disputes when a member is unhappy with the first instance decision.

The table below details the expected timeframe for managing this internal dispute resolution process. Further details can be found in the Fund's Internal Dispute Resolution Procedure.

Performance area		Measurement (working days where applicable)
3	IDRP	
3.1	Notify the Fund's compliance team of the receipt of a complaint under the IDRP process	Within two days of receiving the complaint
3.2	Notify the Fund's compliance team that the first-stage decision has been issued	Within five days of issuing the decision
3.3	Timeframe for resolution of IDRP	Two months
	Notifying if timeframe is not going to be met	Immediately when known not going to meet original timeframe
3.4	Responding to Fund enquiries when Fund dealing with Stage 2	Within five days

3.2 West Midlands Pension Fund

3.2.1 Duties and Responsibilities

In setting the expectation of employers, the Fund recognises that the relationship and delivery of services, is also reliant on the Fund's performance and duties to its employers.

The table below outlines the key responsibilities of the Fund, what actions it will take and the timescales of its own performance in delivering the service to members and employers. It is focused on the key activities which scheme employers and scheme members are involved in and should not be viewed as an exhaustive list.

Function/Task		Expectation
1	General information	
1.1	Regularly review the Fund's Pensions Administration Strategy and consult with all scheme employers	In advance of the policy being adopted and following consultation taking place during the year of the revision
1.2	Regularly review the Fund's Funding Strategy Statement as required, not least with each triennial valuation, following consultation with scheme employers and the Fund's actuary	Publish by 31 March following the valuation date or as required
1.3	Regularly review the Fund's Communication Policy Statement	Annual review and publish within 30 days of the policy being agreed by the Pensions Committee of the Fund
1.4	Regularly review the Fund's Termination Policy Statement and publish as appended to the Funding Strategy Statement	Within 30 days of any changes being made to the policy
1.5	Review and communicate the Fund's publications listed below: <ul style="list-style-type: none"> • Annual Report • Annual Statement of Accounts • Governance and Compliance Statement 	By 31 October following the year-end

PENSION ADMINISTRATION STRATEGY 2019

Function/Task		Expectation
2	Contribution requirements	
2.1	Consult with employers on the outcomes of the triennial valuation	At least three months in advance of the signing of the final rates and adjustment certificate
2.2	Notify employers of contribution requirements for three years effective from the April following the actuarial valuation date	At least six weeks before the actuary signs off the rates and adjustment certificate
2.3	Notify new scheme employers of their contribution requirements	The latter of within six weeks of receipt of the notification of admission application or commencement as a scheme employer

Function/Task		Expectation
3	Support for employers	
3.1	Provide support for employers through: <ul style="list-style-type: none"> • A dedicated helpline • Employer coaching • Employer Peer Group • Employer newsletters • Online support guides • Feedback on data quality • Face-to-face meetings (one-to-one where appropriate) • Employer web portal query support • Email support before each session for relevance and benefit • Member Services presentations and roadshows 	<ul style="list-style-type: none"> • Dedicated helpline Monday - Thursday 8.30am - 5.00pm, Friday 8.30am - 4.30pm • Employer Forums to be held twice per annum (usually May/June and November/December) • Written communication as per the Fund's communication policy • Newsletters to be issued quarterly • Online support to be reviewed and updated regularly • Employer coaching and peer group content to be reviewed. Sessions to be held quarterly for each
3.2	Organise and provide coaching sessions on the roles and responsibilities of an employer in the Fund	Quarterly and upon request or as required for scheme employers
3.3	Notify scheme employers and scheme members of changes to the scheme rules	As per disclosure requirements with inclusion of an overview in the Employer Brief
3.4	Provide a facility (via employer web portal) for employers to calculate estimates and early retirement costs for active members	On an ongoing basis
3.5	Production and maintenance of an IDRPs employer guide	On an ongoing basis

PENSION ADMINISTRATION STRATEGY 2019

Function/Task		Expectation
2	Contribution requirements	
4.1	Produce annual benefit statements for active members as at 31 March and deferred members as at pensions increase date in April	By 31 August following the year-end
4.2	Produce and issue pension savings statements each year to members who have exceeded their annual allowance	By 6 October (provided receipt of all relevant information from scheme employer) following the year-end
4.3	Publish and keep up to date all forms required for completion by scheme members or employers	Within 30 days from any revision
4.4	Provide feedback on errors contained in monthly data submission files	Within 20 working days of the later of the 19th of each month or the date the file is received by the Fund

3.2.2 Performance Measurements

The Fund routinely reviews performance across all areas including the Pension Administration Strategy, which is monitored and reviewed by the Pensions Committee and Local Pensions Board. Regular reporting is undertaken, and performance is also reported annually in the Fund's annual report and accounts. The table below sets out the Fund's key performance indicators in relation to processing scheme member records and benefits.

Performance area		Measurement (working days where applicable)
1	New joiners	
1.1	Set up a new starter and provide statutory notification to the member	Within 20 days of receipt of correct data file from a scheme employer
2	Transfers	
2.1	Transfer in quotations processed	Within ten days of receipt of all the required information
2.2	Transfer notification of transferred in membership to be notified to the scheme member	Within ten days of receipt of payment
2.3	Transfer out quotations processed	Within 20 days
2.4	Transfer out payments processed	Within ten days
3	Additional contributions	
3.1	Notify the scheme employer of any scheme member's election to pay additional pension contributions (APCs), including required information to enable deductions to commence	Within ten days of receipt of election from a scheme member
3.2	Process scheme member requests to pay/amend/cease additional voluntary contributions (AVCs)	Within five days of receipt of request from scheme member
4	Leavers	
4.1	Deferred benefits calculated and confirmed to member	Within 15 days of receipt of all necessary information
	Refund details calculated and issued	Within ten days of receipt of all necessary information
4.2	Refund payments	Within five days of receipt of all necessary information from member

PENSION ADMINISTRATION STRATEGY 2019

Performance area		Measurement (working days where applicable)
5	Deferred into payment	
5.1	Provision of deferred retirement options to member	Within 30 days of the member's eligible payment date or receipt of request from a member
5.2	Deferred retirement benefits processed for payment following receipt of election	Lump sum payment within five days of receipt of all necessary documentation <i>(First pension payment on next available payroll run)</i>
6	Retirements	
6.1	Provision of retirement options to members	Within 15 days of receipt of all necessary information
6.2	New retirement benefits processed for payment following receipt of election	Lump-sum payment within five days of receipt of all necessary documentation <i>(First pension payment on next available payroll run)</i>
7	Deaths	
7.1	Acknowledgement of a death	Within five days of receiving the notification.
7.2	Notification of benefits payable to dependents	Within five days of receiving the required information
7.3	Payment of death lump-sum will be made	Within ten days of receipt of all the required information
8	Customer service	
8.1	>85% of calls received to the customer helpline to be answered	>85%
8.2	>85% of calls received to the employer helpline to be answered	>85%
8.3	Provide an answer or acknowledgement to an enquiry from a scheme members/scheme employers/personal representatives/dependents and other authorised persons	Within ten days from receipt of enquiry
8.4	Acknowledge member complaints on initial receipt	Within five days of receipt
8.5	Issue full response to member complaints	Within 20 days of receipt
8.6	Monitor IDRP cases and target completion of stage 1 and stage 2 reviews	Within two months. For further information, please see the Fund's IDRP policy

PENSION ADMINISTRATION STRATEGY 2019

4 MONITORING PERFORMANCE

4.1 Working with our Employers

The Fund recognises that engagement is key to helping us understand our employers' individual circumstances, their challenges and their outcomes. Engaging with employers helps to build positive working relationships and ensures processes create efficiencies and better outcomes for the Fund, our members, and employers. The consistent application of standards across all employers enables fair and value for money service.

The Fund will seek to work closely with employers when identifying areas of poor performance. At the earliest opportunity, the Fund will provide training and development to aid improvement of service levels in the future. Where performance issues are identified, in the first instance, the Fund will work to resolve the issues informally. However, where this is not possible and persistent sub-standards occur (with no measurable improvement demonstrated by the employer), additional steps may be taken by the Fund in line with its powers under the LGPS Regulations 2013.

The Fund aims to meet the training and development needs of its employers using (but not limited to) employer coaching, quarterly bulletins, website guidance and through day-to-day contact via email and telephone. There is also an open invite to visit the Fund's office to meet with a member of the Employer Services team, subject to notice, to discuss any aspect of co-operation, expectations and responsibilities.

4.2 Approach to Managing Performance

Ensuring compliance with the LGPS regulations and this administration strategy is the responsibility of the Fund and scheme employers. This section describes the ways in which performance and compliance will be monitored.

The Fund and scheme employers are to ensure that all functions and tasks are carried out to the agreed quality standards. On a regular basis, the Fund will monitor, measure and report on both the Fund's and scheme employers' compliance with the agreed service standards outlined in this document.

The Fund will undertake a formal review of performance against the pension administration strategy on an annual basis and liaise with employers in relation to any concerns on performance. The Fund monitors its own performance against key performance indicators. Monitoring occurs on a monthly basis and is reported to the Fund's Pensions Committee on a quarterly basis. The performance of scheme employers against the standards set out in this document are incorporated into the reporting to the Committee, as appropriate, to include data quality. The Fund will also report back to employers about their individual performance, identifying any areas for improvement including outstanding data items.

Where persistent and ongoing failure occurs in relation to administration requirements and no improvement is demonstrated by an employer, and/or willingness is shown by the employer to resolve the identified issue(s), the following sets out the steps that will be taken in dealing with this situation:

- Write to the scheme employer, setting out area(s) of non-compliance with performance standards and offer support and, where applicable, request attendance at a training/coaching session.
- Where no improvement has been demonstrated by the employer, or where there has been a failure to take agreed action by the scheme employer, or no response is received to the initial letter, the scheme employer will be asked to attend a conference call/meeting with representatives of the Fund to discuss area(s) of non-compliance with performance standards and to agree an action plan to address them. Where appropriate, the originating employer will be informed and expected to work with the Fund to resolve the issues.
- If no improvement is seen within one month or a scheme employer is unwilling to attend a meeting to resolve the issue, the Fund will issue a formal written notice, setting out:
 - the area(s) of non-compliance with performance standards that have been identified;
 - the steps taken to resolve those area(s); and
 - provide notice that the additional costs will now be reclaimed.
- An invoice will be issued detailing the additional cost incurred, taking account of time and resources in resolving the specific area(s) of poor performance and in accordance with the charging scale set out in this document. A report will be presented annually to the Pensions Committee detailing charges levied against scheme employers and outstanding payments.
- If poor performance continues and impacts the Fund's ability to perform statutory functions and/or measures are not being taken by the employer to address this, the Fund may need to report the employer to The Pensions Regulator.

PENSION ADMINISTRATION STRATEGY 2019

4.3 Policy on Charging Employers for Poor Performance

The LGPS regulations provide pension funds with the ability to recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that scheme employer. Where any such additional costs are to be recovered by the Fund, written notice will be provided stating:

- the reasons that the scheme employer's poor performance contributed to the additional cost;
- the amount of the additional cost incurred;
- the basis for calculation of the additional cost; and
- the provisions of the administration strategy relevant to the decision to give notice.

It is the policy of the Fund to recover additional costs incurred in the administration of the scheme as a direct result of the poor performance of any scheme employer (including the administering authority). With the objective of ensuring fairness across employers in avoiding other employers paying more to cover the higher administration costs incurred by others.

Please note that where an employer fails to pay any amount due to the Fund (other than monthly contributions) within 30 days, interest for late payment will be charged accordingly. This includes charges and recharges levied under this policy.

4.4 Penalties for Sub-Standard Performance

4.4.1 Provision of Information

Item	Input/Penalties
Failure to make payment of monthly contributions and/or provision of breakdown of contributions for reconciliation against payment	The Fund will be unable to prepare cashflow information to facilitate the provision of annual accounting standards (FRS102, IAS19) by the Fund actuary or any other actuarial firm.

4.4.2 Charging Scales for Administration

The table below sets out the charges which the Fund will levy on a scheme employer who fails to meet the standards required. Each item is referred to in the 'Scheme Employer Performance Measurement' section of this document.

Function/Task	Expectation
1 Payment of future service contributions Failure to make payment of monthly employee and employer contributions ¹ in full by the 19th of the following month (but by the 22nd of the month where payment is made electronically)	£100 per occasion plus interest ²
2 Monthly data collection Failure to comply with the following requirements: <ul style="list-style-type: none"> • Submission of the member data file by 22nd of the following month • Submission of the web remittance advice by 22nd of the following month 	£50 for each month the data file and/or web remittance advice is received after 22nd (ie, both items must be received so as to incur no penalty). Thereafter for each monthly data file the charge will increase as follows: <ul style="list-style-type: none"> • 5p per member³ per working day late for the first month following the deadline • 10p per member³ per working day late for the second month following the deadline • 15p per member³ per working day late for the third month following the deadline and every month thereafter A minimum daily rate will be set at: <ul style="list-style-type: none"> • £5 per day for the first 30 days following the deadline • £10 per day for the second 30 days following the deadline • £15 per day for the third 30 days and thereafter following the deadline Assessment of the overall charge will be made in aggregate at year-end of 31 March (final monthly file to be received by 19 April) to include any charges in (3) below. Invoices will subsequently be issued where a charge is applicable

PENSION ADMINISTRATION STRATEGY 2019

Function/Task		Expectation
3	Monthly data quality review⁴ Quality of the information provided to be below the acceptable tolerance level set at 5% of the employer active member count ³ (tolerance level will be assessed in aggregate until year-end date of the monitoring period)	The Fund will recover costs for the work involved to resolve these errors. Costs will be based on officer hourly rates, but will be determined based on the resources required to address errors above the tolerance in aggregate over a 12-month period and will be levied to include any charges incurred as a result of (2) above
4	Quality and timeliness of the provision of data To provide the Fund with accurate data (as detailed in the regulations) in a timely manner as specified in this strategy	The Fund will recover costs for the additional work involved to resolve these issues, in the context of persistent poor performance. Costs will be based on officer hourly rates and will be determined based on the resources required
5	Bulk member record amendments Correction or amendments of member records en masse as a result of employer initiatives, policy decisions or prior incorrect notifications	The Fund will recover the cost for the work involved. Costs will be based on officer hourly rates

4.4 Feedback From Employers

Employers who wish to provide feedback on the performance of the Fund against the standards in this administration strategy should email comments (noting PAS feedback in the email subject) to wmpfemployerliaison2@wolverhampton.gov.uk

¹ Future service contributions including additional contributions, eg, APP and APCs

² Interest will be charged in accordance with Regulation 44 of the LGPS administration regulations, which states interest should be charged at Bank of England base rate plus one per cent

³ For the purposes of monitoring and the application of charges the active member count will be set as at 1 April of the monitoring period (ie, based on the monthly data file for the 1 April in the monitoring period)

⁴ A file will be rejected for one or more of the following reasons:

- Incorrect file layout
- Data formatting issues, eg, mandatory fields not populated, inclusion of incorrect characters, ie, speech marks, etc.
- The key financials in the data file do not balance with the final statement



FUNDING STRATEGY STATEMENT (FSS) 2020

FUNDING STRATEGY STATEMENT 2020

1 INTRODUCTION

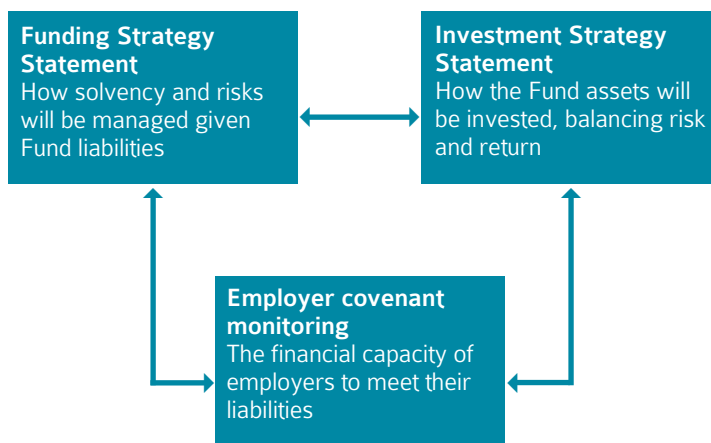
- 1.1 Local Government Pension Scheme (LGPS) regulations require administering authorities to prepare and maintain a Funding Strategy Statement (FSS) having regard to the guidance produced by The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Fund's Investment Strategy Statement (ISS). This FSS has been prepared by the West Midlands Pension Fund based on the latest CIPFA guidance in accordance with the regulations issued in September 2016 and following consultation with appropriate persons. In line with the regulations administering authorities are required to ensure contributions are set at a level to achieve Fund solvency and long-term cost efficiency.

This FSS has been developed for the West Midlands Pension Fund in conjunction with the 2019 actuarial valuation. It was adopted and approved following consultation, on 25 March 2020.

This statement updates and replaces the April 2019 FSS and all previous statements and policies on funding. The 2020 statement incorporates an evidence-based review of West Midlands' membership and employers in the context of regulations and guidance in force at the time.

Integrated Funding Framework

- 1.2 The FSS is supported by the Investment Strategy Statement (ISS) and the Fund's employer covenant monitoring framework. Together these ensure an integrated approach to funding strategy and risk management supporting the Fund in meeting the regulatory funding requirements.
- 1.3 The statements and framework relate as follows:



- 1.4 The purpose of the FSS is to summarise the Fund's approach to ensuring contributions are sufficient to meet pension liabilities. The parameters set within determine:
- the rates and adjustments certificate (confirming employer contribution rates for the period to the next triennial valuation);
 - funding requirement on employer admissions and cessations; and
 - actuarial factors for valuing bulk transfers, early retirement costs and the costs of additional benefits to members (for example, on purchase of added years' service).
- 1.5 The benefits payable under the LGPS are guaranteed by statute. The scheme is a defined benefit arrangement with a final salary element for service accrued prior to 1 April 2014 and career average revalued earnings ('CARE') benefits accruing on and after this date. There is also a '50:50' option under which members can elect to pay 50% of the contribution rate to accrue 50% of the benefits.
- 1.6 The FSS reflects the statutory nature of the Local Government Pension Scheme (LGPS), particularly the defined benefits payable and the benefit guarantee. The FSS sets out how benefits will be funded over the long term through an accountable, transparent process with full disclosure of valuation methodology and assumptions.

FUNDING STRATEGY STATEMENT 2020

Employer Contribution Requirements

- 1.7 The required levels of employee contributions are specified in the regulations. Employer contributions are determined in accordance with the LGPS regulations, following an actuarial valuation completed every three years by the actuary. The valuation is carried out based on the administering authority's funding strategy statement and leads to production of a rates and adjustments actuarial certificate, specifying the 'primary' and 'secondary' rate of the employer's contribution; these are defined below

Primary Rate

The 'primary rate' for an employer is the contribution rate required to meet the cost of the future accrual of benefits, allowing for employer membership profile. The primary rate for the whole fund is the weighted average (by pensionable payroll) of the individual employer's primary rates.

The Fund, like many other similar public and private sector funded schemes, had a gap between its assets and pension liabilities (a funding shortfall) on review at 31 March 2019. Although funding levels have improved since the last review in 2016, a number of factors have contributed to the development of the funding gap over time, most notably:

- increases in life expectancy and pensions longevity; and
- falling long-term interest rates and the expectations for future investment returns.

As funding level varies over time and between employers, employers may have a funding shortfall or surplus on review at the triennial valuation. The FSS addresses the recovery of the funding shortfall for those employers in deficit and outlines how contribution requirements are considered where a surplus exists at the valuation date. This is captured within the secondary rate.

Secondary Rate

The 'secondary rate' is an adjustment to the primary rate to arrive at the total rate of contribution each employer is required to pay. The secondary rate may be expressed as a percentage adjustment to the primary rate, and/or a cash adjustment in each of the three years beginning 1 April in the year following the actuarial valuation. In line with previous valuations, each employer within the West Midlands Pension Fund will have a cash adjustment to the primary rate to reflect their funding level. In certain circumstances secondary contributions may be expressed as a percentage of payroll as determined by the Fund.

The secondary rate for the whole Fund in each of the three years is the total monetary adjustment through individual employer secondary rates.

Funding Risks

The FSS faces a number of risks in meeting its aim of ensuring Fund solvency and longterm cost efficiency, most notably:

- funding deterioration on lower than anticipated investment returns;
- increasing benefit costs from higher rates of price inflation and increasing life expectancy;
- contribution shortfall following deterioration in employer covenant;
- employer restructuring leading to changing membership profile, maturity and/or covenant;
- changing scheme regulations and guidance which affect benefits or require a change in funding policy.

- 1.8 Following the McCloud/Sargeant ruling and in line with the requirements set out by the Ministry of Housing, Communities and Local Government (MHCLG) in August 2019, the Fund has made an allowance for the potential impact upon scheme benefits which may occur following associated remedial action.

Merger of the West Midlands LGPS Pension Funds

- 1.9 Following a process of public consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG), Regulations were laid before parliament providing for the merger of the former West Midlands Integrated Transport Authority (WMITA) pension fund into that of the main West Midlands Pension Fund. Those regulations came into force on 8 November 2019 and apply retrospectively to effect merger from 1 April 2019.

In conjunction with the merger, former employers of the WMITA pension fund now participate in the main West Midlands Pension Fund with associated assets and liabilities transferred to two separate Admission Body Funds (ABF). For the purposes of the 2019 actuarial valuation (and thereafter) the associated funding strategy statements for the new separate ABF are included as appendices to this FSS (appendices 2 and 3).

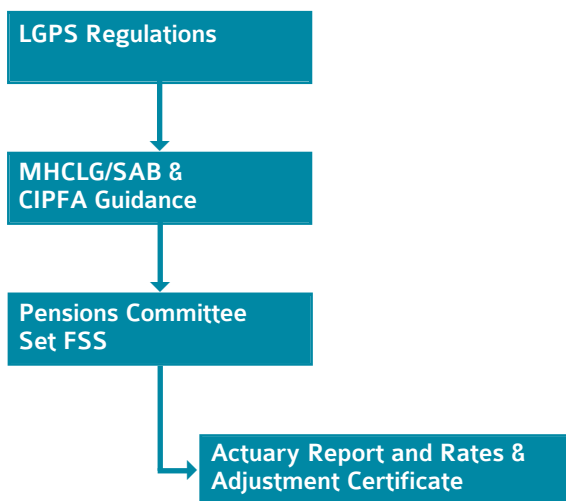
Future Review

- 1.10 This policy statement will next be reviewed in detail ahead of completion of the next triennial valuation due 31 March 2022. Key funding principles will be reviewed and monitored on an annual basis and updated following consultation and as a matter of course in the event of significant change in scheme regulation and guidance.

FUNDING STRATEGY STATEMENT 2020

2 AIMS AND PURPOSES OF THE FUND

- 2.1 The aims and purpose of a pension fund operating within the Local Government Pension Scheme (LGPS) are set out in the LGPS Regulations and the Public Service Pension Act 2013. With regard to funding, they can be summarised as follows.
- 2.2 The aims of the Fund are to:
- manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due;
 - enable primary and total contribution rates to be kept as nearly constant as possible; and
 - seek returns on investment within reasonable risk parameters.
- 2.3 The purpose of the Fund is to:
- receive and invest monies in respect of contributions, transfer values and investment income; and
 - pay out monies in respect of Fund benefits, transfer values, costs, charges and expenses, as defined in the LGPS regulations and as required in the LGPS (Management and Investment of Funds) Regulations 2016.
- 2.4 The regulatory and governance framework in place to manage funding policy includes:



3 PURPOSE OF THE FUNDING STRATEGY STATEMENT

- 3.1 The FSS focuses on how employer liabilities are measured, the pace at which these liabilities are funded, together with how employers pay contributions to ensure their own liabilities are fully funded. The purpose of this FSS is:
- to establish a clear and transparent fund-specific strategy which will identify how employers' liabilities are met going forward;
 - to take a prudent long-term view of funding those liabilities;
 - to ensure that the regulatory requirements to set contributions to meet the future liability to provide scheme member benefits in a way that ensures the solvency and long-term cost efficiency of the Fund are met; and
 - to support the desirability of maintaining as nearly constant a primary contribution rate as possible, as defined in Regulation 62(5) of the LGPS Regulations 2013.
- 3.2 In line with the aims and purpose of the Fund, the funding policy objectives are:
- to ensure that pension benefits can be paid as and when they fall due over the lifetime of the Fund;
 - to ensure the solvency of the Fund;

FUNDING STRATEGY STATEMENT 2020

- to set levels of employer contribution rates to target a 100% funding level over an appropriate time period and using appropriate actuarial assumptions, while taking into account the different characteristics of participating employers;
- to build up the required assets in such a way that employer contribution rates are kept as stable as possible, with consideration of the long-term cost efficiency objective; and
- to adopt appropriate measures and approaches to reduce the risk, as far as possible, to the Fund, other employers and ultimately the taxpayer from an employer defaulting on its pension obligations.

3.3 The FSS and wider integrated funding risk framework are designed to ensure the funding strategy is both cohesive and comprehensive for the Fund as a whole, recognising that there will be conflicting stakeholder objectives that need to be balanced and reconciled. Whilst the funding strategy applicable to individual employers is reflected in the FSS, its focus at all times are on those actions that are in the best long-term interests of the Fund. Consequently, the FSS is a single all-employer strategy for the administering authority to implement and maintain, with approaches for different employer category and admission body fund contained within.

3.4 This statement and appendices set out how the administering authority balances the potential conflicting areas of stability and affordability of contributions, transparency of process and prudence of funding. The Fund policies on funding in respect of the following are contained within:

- new employer admissions to the Fund;
- employers leaving the Fund (on cessation at termination);
- bulk transfers; and
- management of funding surplus.

Consultation Process

3.5 LGPS regulations require the administering authority to consult with such persons it considers appropriate in the maintenance and review of the FSS. CIPFA provides further guidance that this must include meaningful dialogue at officer and elected member level, with council tax raising authorities and with corresponding representatives of participating employers.

In determining the funding and contribution strategy contained within the FSS, the administering authority has had regard to:

- the responses made to the FSS consultation with employers, representatives and other interested parties;
- relevant guidance issued by the CIPFA Pensions Panel;
- the need to balance a desire to attain the funding target as soon as possible against the short-term cash constraints of participating employers; and
- the administering authority's views on the relative strength of the participating employers' covenants, supported by independent advisers as required.

As part of the 2019 valuation, the Fund undertook a number of employer briefing sessions (five in July 2019 and ten in November 2019) and outlined funding strategy at its 2019 AGM. Both covered key changes to the FSS from the prior version dated April 2019. A copy of the FSS was issued to each employer, the Fund's Pensions Committee (elected members), Local Pensions Board (including member and employer representatives), actuary, investment and risk advisers and other interested parties including the Fund employer peer group in January 2020. The Fund also hosted one-to-one consultation meetings with employers, on request.

Where an employer has a guarantee from a statutory body participating in the Fund, or from another organisation approved for that purpose by the administering authority, the administering authority will recognise the requirement for the guarantor to be kept informed of the funding position of the relevant employer, and share funding information with the guarantor on request, unless the employer indicates otherwise in writing to the Fund.

FUNDING STRATEGY STATEMENT 2020

4 RESPONSIBILITIES OF THE KEY PARTIES

- 4.1 Sound and effective management of funding strategies relies on key parties exercising their statutory responsibilities.
- 4.2 The administering authority is required to:
- operate the Fund in line with scheme regulations;
 - collect employer and employee contributions, investment income and other amounts due to the Fund as stipulated in scheme regulations;
 - pay from the Fund the relevant entitlements as stipulated in the scheme regulations;
 - invest the Fund's assets in accordance with the Fund's ISS and the scheme regulations;
 - ensure that cash is available to meet liabilities as and when they fall due;
 - take measures as set out in the regulations to safeguard the Fund against the consequences of employer default;
 - manage the valuation process in conjunction with the Fund's actuary;
 - prepare and maintain an FSS and an ISS, both after proper consultation with interested parties;
 - monitor all aspects of the Fund's performance and funding and amend the FSS/ISS accordingly; and
 - Effectively manage any potential conflicts of interest.
- 4.3 The **individual employer** is required to:
- calculate and deduct contributions from employees' pay correctly;
 - pay all ongoing contributions to the administering authority, including employer contributions determined by the Fund actuary and set out in the rates and adjustments certificate, promptly by the due date;
 - develop a policy on certain discretions and exercise those discretions as permitted within the regulatory framework;
 - make additional contributions in accordance with agreed arrangements in respect of, for example, augmentation of Fund benefits and early retirement strain;
 - notify the administering authority promptly of any new scheme members and any other changes to membership which may affect future funding requirements; and pay any exit payments on ceasing participation in the Fund;
 - comply with all aspects of the Pensions Administration Strategy, within the context of the FSS, relating to funding or payment of contributions, for example (but not limited to):
 - provision of supporting documentation and breakdowns with payment of contributions;
 - maintain optimum data quality to include timely and accurate notification to enable accurate calculations; and
 - notify the Fund in advance of any employer initiatives (e.g. mergers, restructures), policy decisions or practices which could impact on LGPS member benefits.
- 4.4 **Active scheme members** are required to make contributions into the Fund as set by MHCLG.
- 4.5 **The Fund actuary** should:
- prepare valuations including the setting of employers' contribution rates at a level to ensure Fund solvency and long-term cost efficiency having regard to the administering authority FSS and the LGPS regulations;
 - prepare advice and calculations in connection with bulk transfers and the funding aspects of individual benefit-related matters such as pension strain costs, ill-health retirement costs, compensatory costs, etc.
 - provide advice and valuations on the exiting of employers from the Fund;
 - provide advice and valuations relating to new employers, including recommending the level of bonds or other forms of security against the financial effect on the Fund of employer default;
 - assist the administering authority in assessing whether employer contributions need to be revised between valuations as permitted or required by the regulations;

FUNDING STRATEGY STATEMENT 2020

- ensure that the administering authority is aware of any professional guidance or other professional requirements which may be of relevance to his or her role in advising the Fund; and
- advise on other actuarial matters affecting the financial position of the Fund.

4.6 **Fund officers** undertake to:

- monitor, review and manage performance against the Fund's integrated risk management (IRM) framework, to include funding, covenant and investment developments; and
- provide regular reporting, as required (but at least on an annual basis) to Pensions Committee and the Local Pensions Board to enable their review of the effectiveness of strategies involved, including specific development arising from the IRM.

5 GENERAL FUNDING AND SOLVENCY CONSIDERATIONS

- 5.1 The Fund must be able to meet all benefit payments as and when they fall due. These payments will be met by contributions (resulting from the funding strategy) or asset returns (resulting from the investment strategy). To the extent that investment returns may be lower than expected, then higher contributions may be required from employers, and vice versa. Hence, the funding and investment strategy are inextricably linked.
- 5.2 The cost of benefits payable from the scheme in the future depends on a number of factors which are unknown in advance. Funding policy determines the pace at which contributions are collected from employers to ensure the Fund has sufficient money to pay future pensions promised to members.
- 5.3 LGPS regulations require each administering authority to achieve Fund solvency and long-term cost efficiency by means of employer contribution rates established by triennial valuation. LGPS administering authorities prudentially seek to achieve an appropriate balance between the income stream from contributions and investments and maintaining the ability to pay pension benefits as and when they fall due over the life of the Fund.
- 5.4 Securing solvency and long-term cost efficiency is a regulatory requirement and maintaining a constant as possible a primary contribution rate is a desirable outcome. Over time and given stable market conditions, administering authorities are expected to reduce deficit recovery periods.

Solvency

- 5.5 The notes to the Public Service Pensions Act 2013 state that solvency means that the rate of employer contributions should be set at "such a level as to ensure that the scheme's liabilities can be met as they arise".

It is not regarded that this means that the pension fund should be 100% funded at all times. Rather, and for the purposes of Section 13 of the Public Service Pensions Act 2013, the rate of employer contributions shall be deemed to have been set at an appropriate level to ensure solvency if the rates of employer contributions are set to target a funding level (assets divided by liabilities) for the whole fund of 100% over appropriate time periods and using appropriate actuarial assumptions.

If the conditions above are met, then it is expected that the Fund will be able to pay scheme benefits as they fall due.

The Fund's actuary is required to report on the solvency of the Funds and recommend future employer contribution rates every three years. In assessing the solvency and employer contribution rates, the actuary must make a number of financial and demographic assumptions. Both the assessment of solvency and the employer contribution rates can be very sensitive to these assumptions.

The regulations specify the principles which must be used in the funding strategies. However, it is the responsibility of the administering authority, acting on the advice of the Fund's actuary, to determine the precise approach and the financial and demographic assumptions to be used in the actuarial valuation.

A significant factor in ensuring solvency of the Fund is the payment of contributions by employers, recovery of funding deficits and employer covenant to be able to continue to make payments required by the Fund.

The Fund carries out regular employer covenant reviews based on a range of key financial and non-financial information to monitor financial strength and ability to pay contributions. This is informed by details of funding sources and annual financial services. In addition, membership numbers are regularly reviewed to monitor membership maturity. The results of the covenant review are used to categorise employers on risk level, with details being provided to the Fund's actuary to inform the actuarial valuation.

FUNDING STRATEGY STATEMENT 2020

As required under Section 13(4)(c) of the Public Service Pensions Act, the Ministry of Housing, Communities and Local Government (MHCLG) has appointed GAD to report on whether the rate of employer contributions to the Fund is set at an appropriate level to ensure the solvency of the Fund and the long-term cost efficiency of the Local Government Pension Scheme, so far as relating to the Fund. Such reports must be made following each triennial valuation of the Fund.

Long-Term Cost Efficiency

- 5.6 The notes to the Public Service Pensions Act 2013 state "Long-term cost-efficiency implies that the rate must not be set at a level that gives rise to additional costs. For example, deferring costs to the future would be likely to result in those costs being greater overall than if they were provided for at the time".

The rate of employer contributions shall be deemed to have been set at an appropriate level to ensure long-term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or deficit in the Fund.

In assessing whether the above condition is met, the review under Section 13(4)(c) may have regard to the following considerations:

- the implied average deficit recovery period
- the investment return required to achieve full funding over different periods, e.g. the recovery period
- if there is no deficit, the extent to which contributions payable are likely to lead to a deficit arising in the future
- the extent to which the required investment return is less than the administering authority's view of the expected future return being targeted by a fund's investment strategy, taking into account changes in maturity/strategy as appropriate.

Target Funding and Contributions Policy

- 5.7 The LGPS regulations require the long-term funding objectives to achieve and maintain assets sufficient to cover 100% of the projected accrued liabilities. The level of assets necessary to meet this 100% funding objective is known as the funding target. The role of the actuary in performing the necessary calculations and advising on assumptions used, is an important feature in determining the funding requirements.
- 5.8 The Fund recognises the different characteristics of the variety of participating employer organisations, and will set funding strategy (including funding target and deficit recovery contributions) appropriately having regard to factors such as:
- strength of covenant, and security of future income streams;
 - support or guarantee arrangements from scheme employers; and
 - prospective period of participation in the Fund, and specifically the implications if the employer has closed membership of the Fund to new employees.
- 5.9 The approach to the actuarial valuation process and key assumptions used at each triennial valuation are consulted upon and the associated employer contribution outcomes form part of the consultation undertaken with the FSS.
- 5.10 In developing the target funding level and associated contribution requirements, the administering authority has had regard to the subsequent GAD review under Section 13(4)(c) and oversight of the Scheme Advisory Board in England and Wales.
- 5.11 The principal method and assumptions to be used in the calculation of the funding target and employer contributions are set out in Appendix 1, which also includes further detail on employer categorisation and the integration of the Main Fund funding strategy with the employer covenant monitoring framework. For employers within the separate admission body funds, these are set out in Appendices 2 and 3.
- 5.12 Underlying the method and assumptions there are two tenets:
- that the scheme is expected to continue for the foreseeable future; and
 - favourable investment returns can play a valuable role in achieving adequate funding over the longer term.
- This allows the Fund to take a longer term view when assessing the contribution requirements for certain employers.
- 5.13 As part of each valuation, separate employer contribution rates are assessed by the actuary for each participating employer. These rates are assessed taking into account the experience and circumstances of each employer, following, in general, a principle of no cross-subsidy between the various employers in the Fund except where there are explicit exceptions set out and rationale for pooling funding and risks.

FUNDING STRATEGY STATEMENT 2020

- 5.14 The extent to which the financial health and capacity of employers impacts on their ability to withstand funding risk and increase contributions in the future is taken into account in setting the funding target as is the nature and expected future participation of non-local authority employers in the Fund.
- 5.15 The period over which an employer's past service deficit is to be recovered (or surplus released) will be dependent on a number of factors, including the type and nature of the employer, any supporting guarantee or other forms of security, such as a charge on assets, where these can be provided.
- 5.16 The Fund does not believe it appropriate for the total level of contributions by an employer to the Fund to reduce where substantial deficits remain unless there is a compelling reason to do so.
- 5.17 Phasing of contribution increases may be considered at the discretion of the administering authority where an employer has evidenced affordability limits.
- 5.18 Any employing body with a surplus of assets over liabilities, sufficient covenant strength, and a local or central government guarantee (to include a defined link back to a local or central government body, such as wholly-owned or arms-length management organisations) may have a reduction in contributions to reflect the surplus. Organisations without sufficient covenant strength i.e. category 3 employers or without a local or central government guarantee will not see a reduction in contributions unless a surplus exists on a minimum risk basis.
- 5.19 Employers are required to meet all costs of early retirement strain (non ill-health) by immediate capital payment to the Fund.

In all cases, the administering authority reserves the right to apply a different approach as its sole discretion, taking into account the risk associated with an employer in proportion to the Fund as a whole.

Where the administering authority does agree to an alternative contribution plan for a particular employer, this will represent an employer-specific funding plan, and will be documented separately, together with any conditions surrounding this agreement.

On the cessation of an employer's participation in the Fund, the actuary will be asked to make a termination assessment unless the ceasing employer is a pass-through employer. Any deficit in the Fund in respect of the employer will be due to the Fund as a termination contribution, unless it is agreed by the administering authority and the other parties involved that the assets and liabilities relating to the employer will transfer within the Fund to another participating employer. Details of the approach to be adopted for such an assessment on termination are set out in the Termination Policy.

Links to Investment Policy Set Out in the Investment Strategy Statement (ISS)

- 5.20 The key financial assumption in calculating the solvency and contribution rates is the rate of return which will be achieved on the Funds' investments.

The Fund's investment strategy has been considered and reviewed in conjunction with the 2019 valuation and the FSS. In particular, the future return expectations of the main asset classes in which the Fund invests have been considered in determining the prudent allowance for future investment returns and extent of reliance on these by employers is outlined in this FSS.

The discount rate(s) adopted in the actuarial valuation is derived by considering the expected rate of investment return which is anticipated to be achieved by the underlying investment strategy.

Future employer contributions levels will be determined, in part, by the extent to which investment returns are delivered in line with the assumptions set in the funding strategy.

As part of the investment strategy review, the future benefit cashflows are considered together with expected contribution income to access the broad mix of assets required to deliver the return required to meet benefit costs whilst balancing risk which could lead to greater future contribution volatility.

The strategic asset allocation and investment risk strategy are documented in the Fund's ISS.

Key Changes Since 2016

- 5.21 The following key policy changes have been made since the 2016 actuarial valuation, in light of evolving regulation and ongoing dialogue with stakeholders.
- Pooling arrangements for all individual academies within a multi-academy trust (MAT) such that a single primary contribution rate is paid by the MAT.
 - Exit credits (from April 2019) – clarification of funding assessment for individual employees upon exit from the Fund. Changes reflected in the Termination Policy (incorporated within Addendum 2) in more detail.

FUNDING STRATEGY STATEMENT 2020

- Ill-health strain cost insurance – at the 2016 actuarial valuation the Fund implemented insurance via a third-party provider for employers on a voluntary basis to insure against the employer strain costs which can arise from a member receiving ill-health early retirement benefits. For the 2019 actuarial valuation, effective from 1 April 2020, the Fund has implemented a captive insurance arrangement, with an “ill-health reserve” retained within the Fund to cover such strain costs. This arrangement involves all participating employers with active members of 1,000 or less.
- Allowances for the potential impact of remedy applicable to benefits payable from the LGPS as a result of the McCloud ruling.

6 IDENTIFICATION AND MANAGEMENT OF RISKS

- 6.1 Evaluating risks that may impact on the funding strategy and expectations of future solvency is crucial to determining the appropriate measures to mitigate those risks. The FSS identifies key risks specific to the Fund and the management or controls made to mitigate those risks.

Risk	Management/Control
<p>Investment risk - Assets do not deliver the return required to meet the cost of benefits payable from the Fund; potential drivers</p> <ul style="list-style-type: none"> • Inappropriate asset allocation and risk • Investment market failure • Manager underperformance 	<ul style="list-style-type: none"> • Investment strategy considered in context of Fund liabilities and return requirement set within the funding strategy statement • Asset liability modelling and stress testing to set strategic benchmarks within Investment Strategy Statement (ISS), with annual review • Regular monitoring of strategy asset allocation and returns relative to benchmark • Regular monitoring of manager performance
<p>Increasing maturity and benefit cashflow requirement; potential drivers</p> <ul style="list-style-type: none"> • Falling contribution income and increasing total benefit payments as more members start to draw their benefits • Declining active membership due to change in local authority service delivery models • Increasing reliance on income-generating assets 	<ul style="list-style-type: none"> • Investment strategy review develop based on future benefit cashflow projection • Modelling of investment strategy and future asset income streams • Regular monitoring of membership movements and liability profile
<p>Increasing future benefit costs; potential drivers</p> <ul style="list-style-type: none"> • Rising levels of future inflation • Increasing life expectancy beyond the level expected for Fund members 	<ul style="list-style-type: none"> • Regular monitoring of funding level • Review of scheme membership experience vs expectations as part of each triennial actuarial valuation, with fund-specific review of mortality experience • Ongoing review and cleanse of member data records to enable accurate and up-to-date assessment at each triennial valuation
<p>Employer covenant – Employers are unable to meet the cost of pension obligations and contributions to the Fund; potential drivers</p> <ul style="list-style-type: none"> • Competing pressure and/or reduction in employer’s own funding and available financial resources • Service outsourcing or restructuring shifting responsibility for pension obligations, some of which may be delayed in notification to the Fund • Increasing scheme costs 	<ul style="list-style-type: none"> • Regular monitoring of employer financial capacity through employer risk management framework • Notification requirements with the Fund Pensions Administration Strategy and monitoring through the annual employer “health check” • Employer covenant assessment and categorisation to inform funding strategy and the actuarial valuation • Review of guarantee arrangements and exit at each triennial valuation • Up to date admission and termination policies, linked to funding strategy • Review and use of liability pooling arrangements where these may support greater stability in employer contributions • Contingent security arrangements to support cash contributions to the Fund

FUNDING STRATEGY STATEMENT 2020

Risk	Management/Control
<p>Changing employer structure within the LGPS – impacting employer covenant and guarantor backing for groups of employers within the scheme; potential drivers</p> <ul style="list-style-type: none"> • Further increase in academisation and/or change in DfE guarantee to the LGPS • Further outsourcing of services to employers with no local government backing • Uncertainty and change in ability of LGPS funds to recover funding shortfalls in the event of insolvency 	<ul style="list-style-type: none"> • Ongoing monitoring of employer movement and change in status within the scheme • Participation in scheme-wide consultation and review on sectors within the LGPS (academy and tier 3 employers) • Monitoring of regulatory change which may impact the priority of payments to the LGPS, including regular engagement with employers
<p>Changing scheme regulations and guidance – impacting scheme benefits, funding strategy, actuarial valuations, investment strategy; potential drivers include</p> <ul style="list-style-type: none"> • Changes to scheme benefits from the LGPS cost management process • Changes to the approach for setting actuarial factors (for example on early retirement) • Remedy of benefits paid as a result of emerging cases such as McCloud • GMP reconciliation and equalisation approach for the LGPS • Changing regulations and guidance for administering authorities within the LGPS • Building in an allowance in the funding valuation results 	<ul style="list-style-type: none"> • Ongoing horizon scanning and consideration on the Fund risk register • Review and response to consultations on changes to the LGPS regulations and guidance which may impact scheme funding • Participation in national review and consideration of emerging issues within the LGPS

- 6.2 At the time of preparing this FSS, specific regulatory risks of particular interest to the LGPS are in relation to the McCloud/Sargeant judgements, the timing of future funding valuations consultation and GMP equalisation. These are outlined in the sections below.
- **McCloud/Sargeant judgements**
These judgements surrounds transitional protection arrangements in the Judicial and Firefighters schemes deemed age discriminatory.

A remedy is still to be either imposed by the Employment Tribunal or negotiated and applied to all public service schemes, so it is not yet clear how this judgement may affect LGPS members' past or future service benefits.

At the time of drafting this FSS, it is not yet known what the effect on the current and future LGPS benefits will be, nor the timing of such remedial action.
 - **Local Government Pension Scheme changes to the local valuation cycle and management of employer risk, including:**
 - amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle;
 - proposals for flexibility on exit payments;
 - proposals for further policy changes to exit credits; and
 - proposals for changes to the employers required to offer LGPS membership.
 - **GMP Equalisation**
Lloyd's Banking Group Pensions Trustees Ltd vs Lloyds Bank Plc & Ors judgement on how their guaranteed minimum pensions (GMPs) should be equalised.

FUNDING STRATEGY STATEMENT 2020

6.3 As outlined in the Fund's employer risk management framework, a risk assessment of the sustainability of all employers has been undertaken seeking to establish the risk of an employer failing to meet their pension liabilities. This has been used to determine an appropriate pace of funding. In determining the actual recovery period to apply for any particular employer or employer grouping, the administering authority may take into account some or all of the following factors:

- the size of the funding shortfall;
- the business plans of the employer;
- the assessment of the financial covenant of the employer; and the security of future income streams
- any contingent security available to the Fund or offered by the employer such as guarantor or bond arrangements, charge over assets, etc; and
- length of expected period of participation in the Fund.

A number of organisations have significant financial challenges due to falling revenues and/or income streams. The Fund will work with these bodies to ensure all interests are considered and an acceptable funding strategy for the pension liabilities is achieved that does not put the Fund's position at an increased risk. In respect of bodies that have fixed-term funding, the aim is that a fully funded position should be achieved with a high degree of certainty by the end of the funding period.

6.4 Insurance of Certain Benefits

The Fund has explored arrangements to help mitigate employer financial implications of unexpected additional ill-health costs, with the primary advantage being the protection of employers with weaker covenants or smaller workforce against the significant strain costs that can arise following an ill-health early retirement. During the consultation, the Fund has considered options for risk mitigation and potential to support employer contribution stability across the Fund as a whole. As a result, effective from 1 April 2020, the Fund has implemented a captive self-insurance mechanism achieved through a reserve based on the existing implicit assumption for ill-health liability exposure adopted by the Fund actuary. This captive arrangement is subject to review at subsequent actuarial valuations and operates as follows:

- The captive ill-health arrangement applies to all employers (both existing and new) with less than 1,000 active members as at the valuation date.
- A defined percentage of contributions or "premiums" are paid by the eligible employers into the captive arrangement which is tracked separately by the Fund actuary in the valuation calculations.
- These premiums are included in the employer's primary rate. The premium for 2020/21 to 2022/23 is less than 1% p.a. and is already included within employer contribution rates.
- The captive arrangement is then used to meet strain costs (over and above the premium paid) emerging from Tier 1 & 2 ill-health retirements in respect of active members - i.e. so there is no initial impact on the deficit position for employers within the captive.
- The premiums are set with the expectation that they will be sufficient to cover the costs in the three years following the valuation date. If any excess premiums over costs are built up in the captive, these will be used to offset future adverse experience and/or lower premiums at the discretion of the administering authority based on the advice of the actuary and analysis of experience.
- In the event of poor experience over a valuation period any shortfall in the captive fund is effectively underwritten by the other employers within the arrangement. However, the future premiums will be adjusted to recover any shortfall over a reasonable period with a view to keeping premiums as stable as possible for employers. Over time the captive arrangement is therefore intended to be self-funding and smooth out fluctuations in the contribution requirements for those employers in the captive arrangement.
- Premiums payable are subject to review at each valuation depending on experience and the expected ill-health trends. They will also be adjusted for any changes in the LGPS benefits. They will be included in employer rates at each valuation or on commencement of participation for new employers.

The Fund reserves the right to preclude the use of the ill-health captive self-insurance reserve where there is evidence to suggest a higher than anticipated experience for an individual employer. The Fund also reserves the right to enforce Regulation 36(3) of the Regulations as appropriate.

6.5 The Fund has implemented and maintains an internal control framework with regular risk monitoring. This includes advice from appointed advisors (e.g. the Investment Advisory Panel) and quarterly reporting to Pensions Committee for review.

FUNDING STRATEGY STATEMENT 2020

APPENDIX 1: MAIN FUND – METHOD AND ASSUMPTIONS AS AT 31 MARCH 2019

Actuarial Methodology

The actuarial method to be used in the calculation of the funding target is the 'projected unit' method, under which the salary increases assumed for each member are projected until that member is assumed to leave active service by death, retirement or withdrawal from service.

This method implicitly allows for new entrants to the Fund on the basis that the overall age profile of the active membership will remain stable. Assets are taken into account at their market value. As a result, for those employers which are closed to new entrants, an alternative method is adopted (the 'attained age' method), which makes advance allowance for the anticipated future ageing and decline of the current closed membership group in order to maintain a stable rate of contributions.

Employer Asset Share

The Fund is a multi-employer pension fund that is not formally unitised and so individual employer asset shares are calculated at each actuarial valuation. This means it is necessary to make some approximations in the timing of cashflows and allocation of investment returns when deriving the employer asset share.

In attributing the overall investment performance obtained on the assets of the Fund to each employer a pro-rata principle is adopted. This approach is effectively one of applying a notional individual employer investment strategy identical to that adopted for the Fund as a whole unless agreed otherwise between the employer and the Fund at the sole discretion of the administering authority.

At each review, cashflows into and out of the Fund relating to each employer, any movement of members between employers within the Fund, along with investment return earned on the asset share, are allowed for when calculating asset shares at each valuation.

Other adjustments are also made on account of the funding positions of orphan bodies which fall to be met by all other active employers in the Fund.

Pooling of Employers for Funding Purposes

The policy of the Fund is that each individual employer should be responsible for the costs of providing pensions for its own employees who participate in the Fund. Accordingly, contribution rates are typically set for individual employers reflecting their own liabilities and particular circumstances.

However, from 2019 certain groups of individual employers are pooled for the purposes of determining contribution rates to recognise common ownership and organisational structures, and to assist in managing employer exposure to individual member liability risks.

The funding pools adopted for the Fund at the 2019 valuation are summarised in the table below:

Pool	Type of pooling	Notes
Individual academies within a multi-academy trust	Primary rate contributions	Individual secondary contributions aggregated where possible
All participating employers with less than 1,000 active members	Ill-health risk only	Pooling of ill-health risk/experience via captive insurance reserve

The main purpose of pooling is to produce more stable employer contribution levels, and assist employer budgeting. The pooling arrangement will continue to be kept under review at each triennial valuation.

McCloud Provisions

The Local Government Pension Scheme (England and Wales) (LGPS) introduced a new CARE benefit structure with effect from 1 April 2014 ('the 2014 scheme'). For members who were 10 years or less from normal retirement age on 1 April 2012 (ie aged 55 or above), an underpin was provided based on the existing final salary scheme ('the 2008 scheme'). In December 2018, the Court of Appeal found that similar transitional provisions in the pension schemes for firefighters and the judiciary resulted in unlawful age discrimination. The Government have confirmed that there will need to be a remedy applied to the Local Government Pension Scheme. The actuary has estimated that the cost of remedy for the West Midlands Pension Fund could be in the region of 1.5% of total liabilities. Whilst remedy for the LGPS is yet to be agreed and the impact on individual member benefits and employer costs are unknown at this stage, allowance has been made in considering funding levels and contribution requirements following the 2019 valuation by way of a past service asset reserve of 1.5%.

FUNDING STRATEGY STATEMENT 2020

Financial Assumptions

• Investment Return (Discount Rate)

One of the key valuation assumptions is the discount rate. The actuary estimates the future benefit cashflows which will be made to and from the Fund in the future. These cashflows are then discounted to a present day value using the discount rate. This value is essentially the estimated amount of money which, if invested now would be sufficient together with the income and growth in the accumulating assets to make these payments in future, using a prudent assumption about future investment returns.

The discount rate assumption of 4.6% pa has been derived using the Fund's current investment strategy assuming investment returns, adjusted to allow for expenses and prudence. Underlying investment return assumptions are based on asset class characteristics and devised based on market yields smoothed six months straddling the valuation date.

It may be appropriate for an alternative discount rate approach to be taken to reflect an individual employer's situation. This may be, for example, to reflect an employer targeting a cessation event or to reflect the administering authority's views on the level of risk that an employer poses to the Fund. The administering authority will incorporate any such adjustments after consultation with the employer and Fund actuary.

A lower discount rate assumption of 2.6% pa has been used to value orphan liabilities (those no longer linked to an active employer) which are backed by a lower risk investment sub fund.

• Volatility Reserve

A past service volatility reserve is included for those employers in category 2 or 3 (see Employer Categorisation below). This limits reliance on future investment return and represents an addition to the funding target (5% or 10% of liabilities) for those employers who are typically either less able to withstand funding risk; are not directly government-backed; or are on a path to exiting the Fund. In practice, this increases the pace of funding and may in future act as a cushion against future periods of lower than expected investment returns.

• Inflation (Consumer Prices Index - CPI)

The starting point used for future inflation is the expected future level of price inflation over a period commensurate with the duration of the liabilities, as measured by the Retail Price Index (RPI). This is derived using the 20-year point on the Bank of England implied Retail Price Index (RPI) inflation curve, with consideration of the market conditions over the six months straddling the valuation date. The 20-year point on the curve is taken as 20 years is consistent with the average duration of an LGPS Fund.

Scheme pension increases are linked to changes in the level of the Consumer Price Index (CPI) rather than RPI. Inflation as measured by the CPI has historically been less than RPI due mainly to different calculation methods, and as such a deduction is made to the RPI assumption due to the different ways that the indices are calculated which the Fund actuary has estimated to be 1.0% pa. This results in a CPI inflation assumption of 2.6% pa.

• Salary Increases

The assumption for long-term real salary increases (salary increases in excess of price inflation) makes an allowance of 1.0% pa over the CPI inflation assumption described above. This is assumed to capture both the impact of general and promotional increases and will be kept under review or each valuation based on Fund-wide experience.

• Pension Increases

Increases to pensions are assumed to be in line with the CPI inflation assumption described above.

Demographic Assumptions

Mortality/Life Expectancy

The mortality in retirement assumptions are based on the most up-to-date information in relation to self-administered pension schemes published by the Continuous Mortality Investigation (CMI), making allowance for future improvements in longevity. The mortality tables used are adjusted to reflect the Fund specific experience analysis undertaken to inform current life expectancy. For all members, it is assumed that the accelerated trend in longevity seen in recent years will continue in the longer term and as such, the assumptions build in a minimum level of longevity 'improvement' year on year in the future in line with the CMI projections subject to a minimum rate of improvement of 1.5% pa.

Commutation

It has been assumed that, on average, members will take 50% of the additional tax-free cash available to them, as well as their accrued lump-sum entitlement. The option which members have to commute part of their pension at retirement in return for a lump-sum is a rate of £12 cash for each £1 pa of pension given up.

Other Demographics

Following an analysis of Fund experience carried out by the Fund actuary and national LGPS carried out by GAD, the allowances for withdrawals and early retirements have been updated to the latest tables published by GAD. The proportions married/civil partnership assumption has remained the same since the previous valuation. No allowance will be made for the future take-up of the 50:50 option. Where any member has actually opted for the 50:50 scheme, this will be allowed for in the assessment of the rate for the next three years.

FUNDING STRATEGY STATEMENT 2020

Expenses

Expenses are met out the Fund, in accordance with the regulations. For the 2019 valuation, administration expenses and investment expenses have been allowed for implicitly in determining the discount rates.

Discretionary Benefits

The costs of any discretion exercised by an employer in order to enhance benefits for a member through the Fund will be subject to additional contributions from the employer as required by the regulations as and when the event occurs. As a result, no allowance for such discretionary benefits has been made in the valuation.

A summary of the headline financial and demographic assumptions adopted at 2019 and in 2016 is included below. Further details may be found in the Fund Actuary's Valuation Report published on the Fund's website.

Comparison of Key Financial Assumptions – 2019 and 2016 Actuarial Valuations

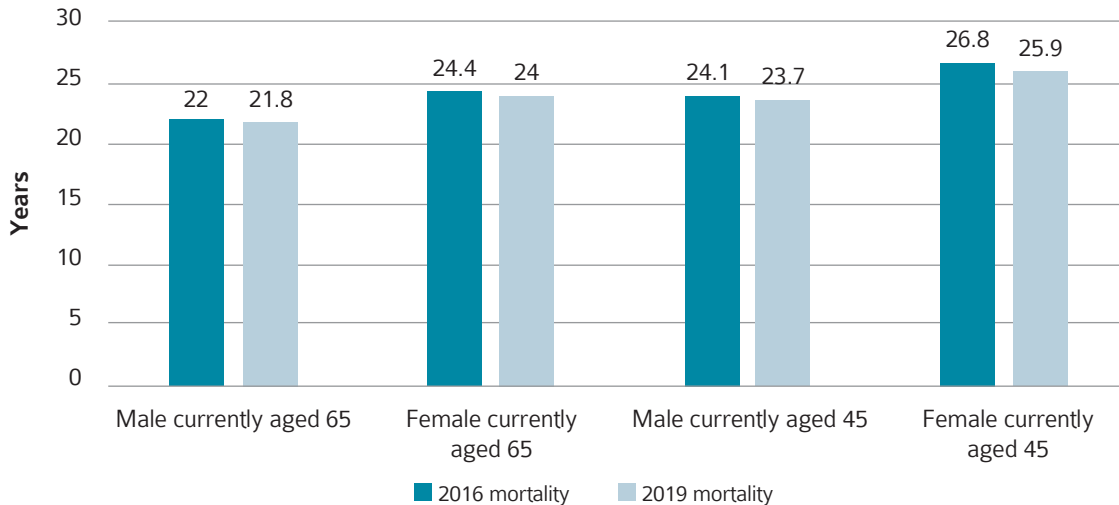
Assumption	2019	2016
Discount rate (for non-orphan liabilities)	4.6% per annum	4.7% per annum
Discount rate (for orphan liabilities)	2.6% per annum	3.3% per annum
Volatility reserve	5.0%/10.0% loading on past service liability for 'Category 2' or 'Category 3' employers	5.0%/10.0% loading on past service liability for 'Category 2' or 'Category 3' employers
Inflation/pension increases (CPI)	2.6% pa	2.4% pa
Salary increases		
- Short term	n/a	1.0% pa for three years
- Long term	3.6% pa (CPI plus 1.0% pa)	3.9% pa (CPI plus 1.5% pa)
- Salary increments	n/a	Age-related allowance
Past service asset reserve (potential McCloud remedy)	1.5% of assets	n/a

Mortality Assumptions	2019	2016																								
Pre-retirement mortality - base table	GAD 2016 tables with a rating of 115% for males and 125% for females.	GAD 2013 tables with a rating of 120% for males and 135% for females.																								
Post-retirement mortality - base table	CMI self-administered pension schemes (SAPS) tables with scheme-specific adjustments as appropriate following analysis by Barnett Waddingham's longevity table.																									
	<table> <tr> <th>Type</th><th>Base table</th><th>Adjustments (M/F)</th></tr> <tr> <td>Normal health</td><td>S3PA Heavy</td><td>85%/95%</td></tr> <tr> <td>Ill health</td><td>S3PA Heavy</td><td>85%/95%</td></tr> <tr> <td>Dependants</td><td>S3DMA/ S3DFA</td><td>110%/125%</td></tr> </table>	Type	Base table	Adjustments (M/F)	Normal health	S3PA Heavy	85%/95%	Ill health	S3PA Heavy	85%/95%	Dependants	S3DMA/ S3DFA	110%/125%	<table> <tr> <th>Type</th><th>Base table</th><th>Adjustments (M/F)</th></tr> <tr> <td>Normal health</td><td>S2PA</td><td>110%/105%</td></tr> <tr> <td>Ill health</td><td>S2PA</td><td>110%/105%</td></tr> <tr> <td>Dependants</td><td>S2PMA/ S2DFA</td><td>140%/110%</td></tr> </table>	Type	Base table	Adjustments (M/F)	Normal health	S2PA	110%/105%	Ill health	S2PA	110%/105%	Dependants	S2PMA/ S2DFA	140%/110%
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Ill health	S2PA	110%/105%																								
Dependants	S2PMA/ S2DFA	140%/110%																								
Allowances for improvements in life expectancy	2018 CMI model with a long-term rate of improvement of 1.5% p.a., a smoothing parameter of 7.5 and an initial addition to improvements of 0.5% p.a.	2015 CMI model with a long-term rate of improvement of 1.5% p.a.																								

The mortality assumptions above, and in particular the allowances for improvements in life expectancy, can be further illustrated by the chart below which is based upon a refresh of the Fund's own mortality experience together with observed changes to improvement rates over the last few years.

FUNDING STRATEGY STATEMENT 2020

Life Expectancy



Other Demographic Assumptions

Partner age difference	Males are three years older than females
Proportion married	75% of males and 70% of females have an eligible dependant at retirement or early death
Allowance for withdrawals	GAD 2016 table
Allowance for cash commutation	Members will take an additional 50% of the remaining maximum tax-free cash available after members have taken the standard 3/80ths cash sum for pre-April 2008 service
Allowance for early retirements	Each member retires at their weighted average 'tranche retirement age', i.e. for each tranche of benefit, the earliest age they could retire with unreduced benefits
Allowance for 50:50 membership	We have assumed that existing members will continue to participate in their current section

Management of Funding Deficits and Surpluses

- i) Employer contributions will be expressed and certified as two separate elements:
 - the primary rate: a percentage of pensionable payroll in respect of the cost of the future accrual of benefits
 - the secondary rate: a schedule of annual lump-sum amounts, payable over the three years to 2022/23 increasing annually in line with the valuation funding assumption for long-term pay growth (unless otherwise noted), in respect of deficit recovery or surplus release.

Both elements are subject to review from April 2023 based on the results of the 2022 actuarial valuation.
- ii) In general, a maximum deficit recovery period of 17 years will apply, reduced from 22 years in 2013 and 20 years in 2016. Employers can elect a shorter period if they prefer and all contributions paid will be allocated to their individual asset share on future funding review. A shorter period may be applied in respect of particular employers where the administering authority considers this to be warranted (see Employer Categorisation below).
- iii) Where significant increases in employer contributions were required from April 2020, and an employer provided evidence to the Fund that these were not affordable, the increase from the contributions payable in the year 2019/20 may be implemented in steps, at the discretion of the administering authority and as agreed with individual employers prior to April 2020, noting that rates will need to be increased to cover the amount due to the Fund to cover the cost of benefits accrual over the inter-valuation period to 2022/23
- iv) In the event of the funding level showing a surplus, this should be spread over a period with due consideration of both prudence and the desirability of maintaining as nearly constant employer contribution rates as possible.

FUNDING STRATEGY STATEMENT 2020

Organisations with sufficient covenant strength and suitable government guarantee may, as part of the 2019 actuarial valuation have surplus released over 30 years.

- v) Organisations without sufficient covenant strength i.e. category 3 employers or without a local or central government guarantee will not see a reduction in contributions unless a surplus exists on a minimum risk (cessation) basis.

Employer Categorisation

The Fund employer covenant monitoring framework (established and maintained since 2010), takes into account a number of financial, funding and structural factors needed to rate employer covenant and allocate each individual employer to a risk banding (RAG rated). More information can be found in the Fund's 'Employer Risk Management Framework' located on the Fund website.

For the purpose of the triennial actuarial valuation, the Fund covenant risk ratings are used, together with employer characteristics (type of body, membership profile, level of government backing or other security) to allocate employers within the Fund into three categories to assist in determining an appropriate funding strategy.

Employers in different categories will have differential contribution plans determined by their funding target and pace of recovery of any deficit. Typically, those employers with weaker covenant would have a faster pace of recovery to mitigate overall funding risk and the impact of default on other employers.

Outlined below are the categories and what these mean in terms of deficit recovery period and funding strategy, in general:

Allocated Category ¹	Fund Covenant Risk Rating	General Features
Category 1	Green	Government-backed/guarantee for Government-backed organisation and over 100% funded
Category 2	Green/Amber	Guarantee/Strong balance sheet relative to pension liability
Category 3	Red/Critical (Black)	Exiting/Weak balance sheet relative to pension liability

- **Category 1**
 - Maximum recovery period of 17 years
- **Category 2**
 - Maximum recovery period of 12 years
 - Volatility reserve of 5% loading on past service liabilities
- **Category 3**
 - Maximum recovery period of 7 years
 - Volatility reserve of 10% loading on past service liabilities

Transferee Admission Bodies

For transferee admission bodies where admission to the LGPS is via a contract or other arrangement, the maximum recovery period will be aligned to the contract length, capped at the maximum recovery period for category of employer or the maximum recovery period of 17 years (whichever is lower), or as otherwise agreed with the ceding local authority.

For transferee admission bodies where closed to new entrants, the maximum recovery period will be aligned to the future working lifetime of its membership, if less than the contract length, capped at the maximum recovery period for category of employer or the maximum recovery period of 17 years (whichever is lower), or as otherwise agreed with the ceding local authority.

Community Admission Bodies

For community admission bodies, where closed to new entrants (or deemed to be so based on membership activity over previous six years), the maximum recovery period will be aligned to the future working lifetime of its membership, capped at the maximum recovery period for category of employer or the maximum recovery period of 17 years (whichever is lower), or such other period agreed by the employer and approved by the administering authority.

Academies

Academies will be treated in accordance with the factors and legislation that lead to their creation. In July 2013, the Department for Education (DfE) provided a guarantee that in the event of the closure of an academy trust, any outstanding liabilities, where not met from the trust's assets on closure, would be met by the DfE in full. However, the DfE has the right to withdraw the guarantee at any time and grounds for withdrawing the guarantee include if the contingent liability levels set by the DfE are exceeded or if projected costs are no longer affordable from within the DfE's existing budget or are not approved by Treasury. The Treasury also reserves the right to re-assess the approval of the guarantee at a later date due to spending considerations or policy developments.

¹Note that within the preliminary results issued to employers the categories were labelled 'low', 'medium' and 'high', these correspond to category 1, 2 and 3 respectively in the table above.

FUNDING STRATEGY STATEMENT 2020

Therefore, to reflect the DfE guarantee, to include the potential for it to be withdrawn or amended, all academies will be considered to have the same covenant strength and placed in the employer category 2. However, so as to distinguish the unique nature of academies in terms of the Fund's employer base and reflecting the additional level of security the guarantee provides when compared to bodies with no guarantee, the Fund will adopt a 17-year recovery for all academies. This treatment is consistent with the recovery period applied to the local authorities from which the academies convert.

Further Education Colleges

- In 2019 a college insolvency regime came into effect for further education colleges (2017 Technical and Further Education Act). This regime means:
 - normal commercial insolvency law will apply to colleges. Where a college is in severe financial distress and there is no other solution, new statutory insolvency procedures can apply;
 - the college itself or its creditors can ask the court to apply normal commercial insolvency processes. These processes include a company voluntary arrangement, administration, creditor's voluntary winding up, court-directed winding up or receivership;
 - in the case of an insolvency, the Department for Education ('DfE') can appoint an education administrator who will have wider duties. These duties will include the avoidance and minimisation of disruption to the studies or existing students as well as to secure the best outcome for learners; and
 - statutory insolvency is considered a backstop. The DfE has indicated that it will use a non-statutory route in the first instance, including the commissioning of an Independent Business Review.

The Fund continues to monitor developments in this area as colleges enter into administration under this new regime and in particular the degree of risk for the Fund and its participating employers.

FUNDING STRATEGY STATEMENT 2020

APPENDIX 2: ADMISSION BODY SEPARATE FUND – WEST MIDLANDS TRAVEL LIMITED (WMTL)

a) Introduction

- As noted in section 1.8, following a process of public consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG), Regulations were laid before parliament providing for the merger of the former West Midlands Integrated Transport Authority (WMITA) Fund into that of the main West Midlands Pension Fund. Those regulations came into force on 8 November 2019 and were backdated to 1 April 2019 confirming the merger.
- As a separate admission body fund, WMTL complies with all areas of this Funding Strategy Statement, save for the matters covered within this appendix.

b) Assessment of Contributions

- As part of each valuation, separate employer contribution rates are assessed by the actuary for WMTL. These rates are assessed taking into account the experience and circumstances of WMTL, following a principle of no cross-subsidy with any other Fund employer.
- In line with the status of being a separate admission body fund, WMTL has its own individual investment strategy and as such investment performance is directly attributable to the assets of the employer.

c) Links to Investment Policy Set Out in the Investment Strategy Statement (ISS)

- WMTL has its own Investment Strategy Statement (ISS).
- The Fund uses an asset liability study and stochastic modelling in order to assist the process of formulating a strategic asset allocation. The outcomes are reflected in WMTL's ISS.
- WMTL's investment strategy has been considered and reviewed in conjunction with the 2019 valuation and the FSS. In particular, the future return expectations of the main asset classes in which the Fund invests have been considered in determining the prudent allowance for future investment returns and extent of reliance on these by WMTL.

d) Key Assumptions

Discount rate (non buy-in pensioners)	3.2% per annum
Allowance for potential McCloud remedy	0.05% per annum
Discount rate (buy-in pensioners)	1.1% per annum
Discount rate (buy-in asset valuation)	1.1% per annum
Salary increases	2.7% per annum
Inflation/pension increases (CPI)	2.7% per annum (16-year duration)

e) Management of Funding Deficit

i) Employer contributions will be expressed and certified as two separate elements:

- the primary rate: a percentage of pensionable payroll in respect of the cost of the future accrual of benefits.
- the secondary rate: a schedule of annual lump sum amounts, payable over the three years to 2022/23 increasing annually in line with the valuation funding assumption for long-term pay growth in respect of deficit recovery.

Both elements are subject to review from April 2023 based on the results of the 2022 actuarial valuation.

ii) A deficit recovery period was set for WMTL commensurate with the risk profile and current funding position of the employer.

f) Employer Covenant

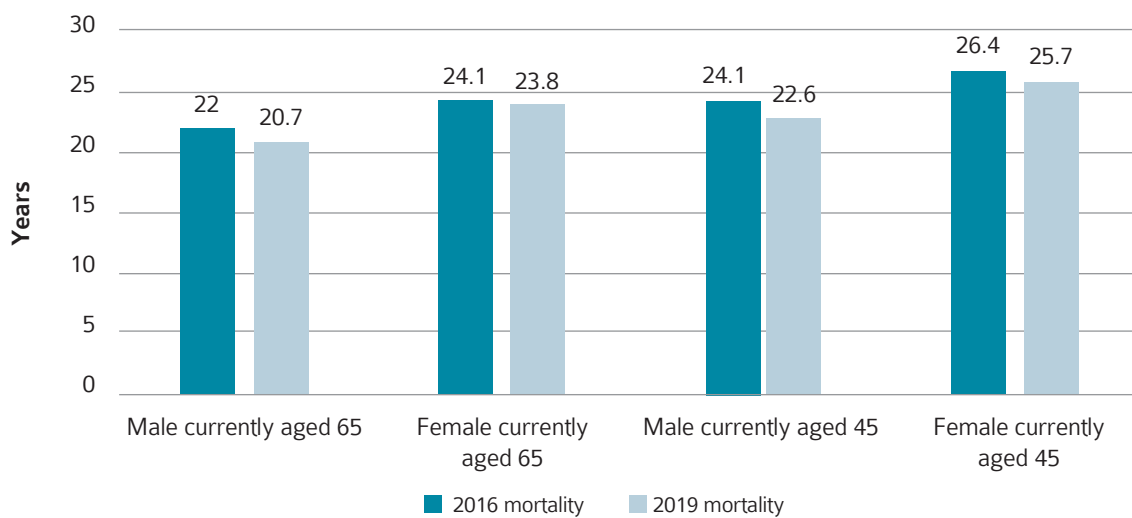
The Fund undertook a detailed assessment of WMTL to include a review of the UK bus market and the guarantee arrangements currently in place. The outcome of this assessment and the potential likelihood and scale of employer default was used in the context of the funding strategy review.

FUNDING STRATEGY STATEMENT 2020

Mortality Assumptions

Post-retirement mortality – base table	S3PA Heavy tables with a multiplier of 97% for all pensioner types
Allowances for improvements in life expectancy	2018 CMI model with a long-term rate of improvement of 1.5% p.a., a smoothing parameter of 7.5 and an initial addition to improvements of 0.5% p.a.

The mortality assumptions above, and in particular the allowances for improvements in life expectancy, can be further illustrated by the chart below which is based upon a refresh of the Fund's own mortality experience together with observed changes to improvement rates over the last few years.

Life Expectancy**Other Demographic Assumptions**

Partner age difference	Males are three years older than females
Proportion married	85% of members have an eligible dependant at retirement or early death
Promotional salary scale	Included implicitly within the financial salary increase assumption
Allowance for withdrawals	GAD 2016 table
Allowance for cash commutation	Members will take an additional 50% of the remaining maximum tax-free cash available after members have taken the standard 3/80ths cash sum for pre-April 2008 service
Allowance for early retirements (non-ill-health)	Each member retires at their weighted average 'tranche retirement age', plus three years for active members of WMTL and plus two years for deferred members of WMTL. The future service rate has been calculated using the retirement assumption above plus one year rather than three years for active members
Allowance for 50:50 membership	We have assumed that existing members will continue to participate in their current section

McCloud/Sargeant Ruling

At the time of drafting this FSS, it is still unclear how the McCloud/Sargeant judgements will affect current and future LGPS benefits. As part of the Fund's 2019 valuation, in order to mitigate the risk of member benefits being uplifted and becoming more expensive, the potential impact of McCloud was covered by the prudence allowance included in the discount rate assumption.

As the remedy is still to be agreed the cost cannot be calculated with any certainty; however, the Fund actuary expects it is likely to be less than the impact of reducing the discount rate assumption by 0.05%.

FUNDING STRATEGY STATEMENT 2020

APPENDIX 3: ADMISSION BODY SEPARATE FUND – PRESTON BUS LIMITED (PBL)

a) Introduction

- As noted in section 1.8, following a process of public consultation undertaken by the Ministry of Housing, Communities and Local Government (MHCLG), Regulations were laid before parliament providing for the merger of the former West Midlands Integrated Transport Authority (WMITA) Fund into that of the main West Midlands Pension Fund. Those regulations came into force on 8 November 2019 and were backdated to 1 April 2019 confirming the merger.
- As a separate admission body fund, PBL complies with all areas of this Funding Strategy Statement, save for the matters covered within this appendix.

b) Assessment of Contributions

- As part of each valuation, separate employer contribution rates are assessed by the actuary for PBL. These rates are assessed taking into account the experience and circumstances of PBL, following a principle of no cross-subsidy with any other Fund employer.
- In line with the status of being a separate admission body fund, PBL has its own individual investment strategy and as such investment performance is directly attributable to the assets of the employer.

c) Links to Investment Policy Set Out in the Investment Strategy Statement (ISS)

- PBL has its own Investment Strategy Statement (ISS).
- The Fund uses an asset liability study and stochastic modelling in order to assist the process of formulating a strategic asset allocation. The outcomes are reflected in PBL's ISS.
- PBL's investment strategy has been considered and reviewed in conjunction with the 2019 valuation and the FSS. In particular, the future return expectations of the main asset classes in which the Fund invests have been considered in determining the prudent allowance for future investment returns and extent of reliance on these by PBL.

d) Key Assumptions

Discount rate	2.1% per annum
Inflation/pension increases (CPI)	2.7% per annum (16-year duration)

e) Employer Covenant

The Fund undertook a detailed assessment of PBL to include a review of the UK bus market and the guarantee arrangements currently in place. The outcome of this assessment and the potential likelihood x scale of employer default was used in the context of the funding strategy review.

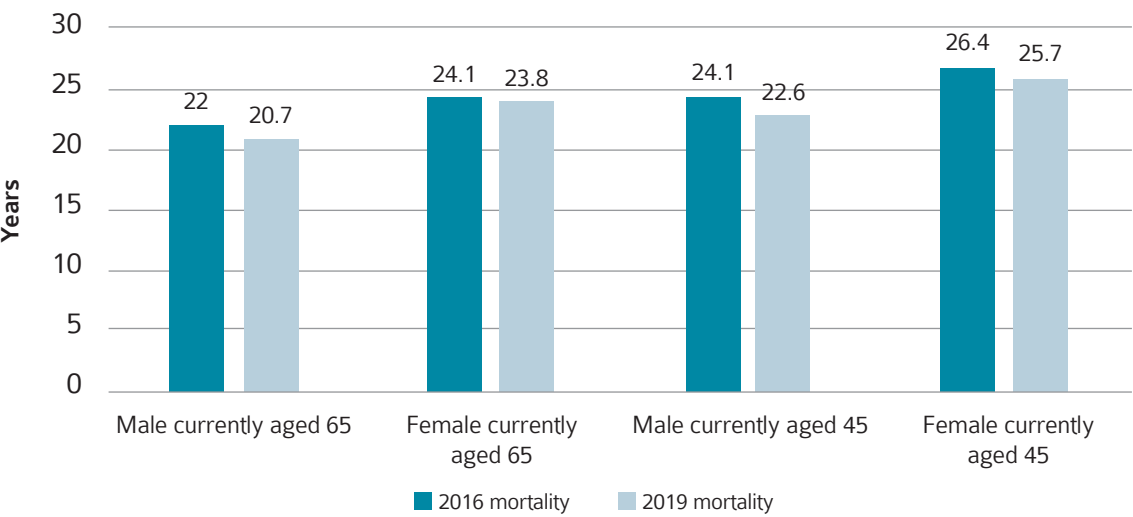
Mortality Assumptions

Post-retirement mortality – base table	S3PA Heavy tables with a multiplier of 97% for all pensioner types
Allowances for improvements in life expectancy	2018 CMI model with a long-term rate of improvement of 1.5% p.a., a smoothing parameter of 7.5 and an initial addition to improvements of 0.5% p.a. parameter of 7.5 and an initial addition to improvements of 0.5% p.a.

The mortality assumptions above, and in particular the allowances for improvements in life expectancy, can be further illustrated by the chart below which is based upon a refresh of the Fund's own mortality experience together with observed changes to improvement rates over the last few years.

FUNDING STRATEGY STATEMENT 2020

Life Expectancy



Other Demographic Assumptions

Partner age difference	Males are three years older than females
Proportion married	85% of members have an eligible dependant at retirement or early death
Allowance for cash commutation	Members will take an additional 50% of the remaining maximum tax-free cash available after members have taken the standard 3/80ths cash sum for pre-April 2008 service
Allowance for early retirements (non-ill-health)	Each member retires at their weighted average 'tranche retirement age', i.e. for each tranche of benefit, the earliest age they could retire with unreduced benefits

McCloud/Sargeant Ruling

At the time of drafting this FSS, it is still unclear how the McCloud/Sargeant judgements will affect current and future LGPS benefits. As part of the Fund’s 2019 valuation, in order to mitigate the risk of member benefits being uplifted and becoming more expensive, the potential impact of McCloud was covered by the prudence allowance included in the discount rate assumption.

As the remedy is still to be agreed the cost cannot be calculated with any certainty; however, the Fund actuary expects it is likely to be less than the impact of reducing the discount rate assumption by 0.05%.

FUNDING STRATEGY STATEMENT 2020

GLOSSARY

50/50 Scheme

In the LGPS, active members are given the option of earning half of the standard LGPS benefits and paying half the standard member contribution rates.

Actuarial Valuation

An assessment by an actuary into the ability of a pension fund to meet its liabilities. At the actuarial valuation, the Fund's actuary will assess the funding level of each participating employer and agree contribution rates with the administering authority to fund the cost of new benefits and make good any existing deficits.

Administering Authority

A body listed in Part 1 of Schedule 3 of the LGPS Regulations, who maintains a fund within the LGPS. Administering Authorities are typically councils based in England and Wales. The Fund's administering authority is the City of Wolverhampton Council.

Admission Body

An admission body is an employer admitted to the LGPS by way of an admission agreement. Admission bodies arise from contracts or outsourcing of services from local government.

Assets

Based on the assessments undertaken by the Fund actuary at each actuarial valuation, a level of contributions (primary and secondary) will be set for each participating employer within the Fund, payable in accordance with the Rates and Adjustment Certificate. Member contributions are set out in statute and collected and paid to the Fund by participating employers. The contributions received by the Fund are invested in accordance with the Fund's investment strategy and strategic asset allocation. Examples of invested assets include equities, bonds, cash and alternatives.

Asset Allocation

The breakdown of the Fund's assets in different asset classes.

Career Average Revalued Earnings ('CARE') Scheme

With effect from 1 April 2014, benefits accrued by members in the LGPS take the form of CARE benefits. Every year members will accrue a pension benefit equivalent to 1/49th of their pensionable pay in that year. Each annual pension accrued receives inflationary increases (in line with the annual change in the Consumer Prices Index) over the period to retirement.

Consumer Prices Index ('CPI')

CPI is an abbreviation standing for 'Consumer Prices Index'. CPI is a measure of inflation with a basket of goods that is assessed on an annual basis. Pension increases in the LGPS are linked to the annual change in CPI.

Deficit

An employer has a deficit when its actuary calculates that it does not currently have enough assets to pay all future commitments. Deficits are typically corrected over periods of time by the payment of additional contributions by employers.

Discount Rate

The rate of interest used to estimate the amount of money needed to be held now to meet a benefit payment occurring in the future.

Employer Covenant

The degree which an employer participating in the LGPS is able to meet the funding requirements of the scheme, both now and in the future.

Employer's Future Service Contribution Rate ('Primary Rate')

The contribution rate payable by an employer, expressed as a percentage of pensionable pay, as being sufficient to meet the cost of new benefits being accrued by active members in the future. The cost will be net of employee contributions and will include an allowance for the expected level of administrative expenses and investment expenses.

Funding Level

The ratio of a fund's assets to the estimated value of its past service liabilities. This is expressed as a percentage. If a fund has a funding level of 100% then the value of its assets are equal to those of its liabilities.

Funding Strategy Statement (FSS)

This is a key governance document that outlines how the administering authority will determine employers' contributions to the Fund and manage its funding risks.

Funding Target

An assessment of the assets required to be held now in order to meet the benefits to be paid in the future. The desired funding target is to achieve a funding level of a 100% i.e. assets equal to the past service liabilities assessed using appropriate actuarial assumptions.

FUNDING STRATEGY STATEMENT 2020

Government Actuary's Department ('GAD')

The GAD is responsible for providing actuarial advice to public sector clients. GAD is a non-ministerial department of HM Treasury.

Investment Strategy

The long-term distribution of assets among various asset classes; it takes into account the Fund's objectives and attitude to risk.

Liabilities

The estimated value, using actuarial methods and assumptions, placed on the obligations of a pension scheme. These obligations include the present value of future pension benefits and contingent benefits and may include the expected value of future expenses.

Local Government Pension Scheme ('LGPS')

An occupational pension scheme for Local Government workers and other related workers made up of 88 individual funds located across England and Wales. West Midlands Pension Fund is one of the 88 individual funds.

Prudent Assumption

An assumption where the outcome has a greater than 50% chance of being achieved. Legislation requires the assumptions (when considered collectively) adopted for an actuarial valuation to be prudent.

Rates and Adjustment Certificate

In accordance with the LGPS regulations, the administering authority must obtain this document from an actuary which sets out the contributions payable by each employer.

Real Return or Real Discount Rate

A rate of return or discount rate net of inflation.

Scheme Employer

A Scheme Employer is an employer that is legally obliged to take part in the LGPS by virtue of the LGPS Regulations. This includes councils of all types, academy schools and certain other public sector bodies.

Section 13 Valuation

Section 13 of the Public Service Pensions Act 2013 requires that all public service pension schemes, like the LGPS, undertake an actuarial valuation that ensures their solvency and their long-term cost-efficiency.

FUNDING STRATEGY STATEMENT 2020

ADDENDUM 1: NEW EMPLOYERS JOINING THE FUND

When a new employer joins the Fund, the Fund Actuary is required to set the contribution rates payable by the new employer and allocate a share of Fund assets to the new employer as appropriate. The most common types of new employers joining the Fund are admission bodies and new academies. These are considered in more detail below.

Admission bodies

New admission bodies in the Fund are commonly a result of a transfer of staff from an existing employer in the Fund to another body (for example as part of a transfer of services from a council or academy to an external provider under Schedule 2 Part 3 of the Regulations). Typically these transfers will be for a limited period (the contract length), over which the new admission body employer is required to pay contributions into the Fund in respect of the transferred members.

Risk-Sharing

Although a full risk transfer (as set out below) was previously the most common approach, the default approach for new admission bodies from 1 April 2019 will be for all or part of the pensions risk remains with the letting authority.

Although pensions risk may be shared, it is common for the new admission body to remain responsible for pensions costs that arise from:

- above average pay increases, including the effect on service accrued prior to contract commencement; and
- redundancy and early retirement decisions.

The administering authority may consider risk-sharing arrangements as long as the approach is clearly documented in the admission agreement, the transfer agreement or any other side agreement. The arrangement also should not lead to any undue risk to the other employers in the Fund. Legal and actuarial advice in relation to risk-sharing arrangements should be sought where required.

Funding at Start of Contract

Noting that the Fund's default approach is a risk-sharing basis outlines above the option remains for a new admission body upon joining the Fund, they too become responsible for all the pensions risk associated with the benefits accrued by transferring members and the benefits to be accrued over the contract length. This is known as a full risk transfer. In these cases, it may be appropriate that the new admission body is allocated a share of Fund assets equal to the value of the benefits transferred, i.e. the new admission body starts off on a fully funded basis. This is calculated on the relevant funding basis and the opening position may be different when calculated on an alternative basis (e.g. on an accounting basis).

However, there may be special arrangements made as part of the contract such that a full risk transfer approach is not adopted. In these cases, the initial assets allocated to the new admission body will reflect the level of risk transferred and may therefore not be on a fully funded basis or may not reflect the full value of the benefits attributable to the transferring members.

Contribution Rate

The contribution rate may be set on an open or a closed basis. Where the funding at the start of the contract is on a fully funded basis then the contribution rate will represent the primary rate only; where there is a deficit allocated to the new admission body then the contribution rate will also incorporate a secondary rate with the aim of recovering the deficit over an appropriate recovery period (based on the employer categorisation set out earlier in this document).

Depending on the details of the arrangement, for example based on the Fund's default position and if any risk sharing arrangements are in place, then additional adjustments may be made to determine the contribution rate payable by the new admission body. In general, the approach for these cases will be for the contribution rate to be in line with the letting authority; however, there may be cases which will be bespoke to the individual arrangement.

Security

To mitigate the risk to the Fund that a new admission body will not be able to meet its obligations to the Fund in the future, the new admission body may be required to put in place a bond in accordance with Schedule 2 Part 3 of the Regulations, if required by the letting authority and administering authority.

If, for any reason, it is not desirable for a new admission body to enter into a bond, the new admission body may provide an alternative form of security which is satisfactory to the administering authority.

FUNDING STRATEGY STATEMENT 2020

New Academies

When a school converts to academy status, the new academy (or the sponsoring multi-academy trust) becomes a scheme employer in its own right.

Contribution rates for academies will be calculated to meet the broad intentions of ensuring they are in a similar financial position in respect of pension liabilities pre- and post-transfer to academy status at inception. The policy applied to academies will be reviewed from time to time and as and when any further guidance emerges.

Funding at Start

On conversion to academy status, the new academy will be allocated assets based on the active cover of the relevant local authority at the conversion date. The active cover approach is based on the funding level of the local authority's active liabilities, after fully funding the local authority's deferred and pensioner liabilities.

New free schools will be allocated zero assets as they are not formed through conversion from a pre-existing school. Any liabilities that are transferred to the free school by individual members will have associated transfer of assets on an individual basis.

Contribution Rate

Where an academy joins an existing multi-academy trust in the Fund, they will pay the same primary rate as the other academies in the multi-academy trust and any additional secondary contributions will be certified for the multi-academy trust in respect of the academy.

Bulk Transfers

Bulk transfers of staff into or out of the Fund can take place from other LGPS funds or non-LGPS funds. In either case, the Fund actuary for both funds will be required to negotiate the terms for the bulk transfer – specifically terms by which the value of assets to be paid from the Fund to the other is calculated.

The agreement will be specific to the situation surrounding each bulk transfer, but in general the Fund will look to receive the bulk transfer on no less than a fully funded transfer (i.e. the assets paid from the ceding fund are sufficient to cover the value of the liabilities on the agreed basis).

A bulk transfer may be required by an issued Directions Order. This is generally in relation to an employer merger, where all the assets and liabilities attributable to the transferring employer in the original fund are transferred to the receiving fund.

FUNDING STRATEGY STATEMENT 2020

ADDENDUM 2: POLICY ON TERMINATION FUNDING FOR EMPLOYERS

1 INTRODUCTION

- 1.1 This addendum covers the key elements of the Fund's 'Termination Policy' written within the context of the FSS. For further details, please refer to the Fund's Termination Policy as held on our website.

2 PRINCIPLES

2.1 Termination of an Employer's Participation

An employer's participation within the Fund ceases when they no longer have any active members within the Fund. This could happen for a number of reasons, typically:

- The last active member participating in the Fund leaves, retires or transfers to another employer and ceases to be a member of the Fund and the employer does not wish to admit any more employees to that admission agreement.
- For admission bodies, the contract to which the admission agreement relates, comes to an end or is terminated prematurely.
- The employer ceases to exist, for example it goes into liquidation or is taken over by/merged with another organisation.

When an employer's participation comes to an end, or is prematurely terminated for any reason, employees may transfer to another employer, either within the Fund or elsewhere. If this is not the case, the employees will retain pension rights within the Fund, i.e. either deferred benefits or immediate retirement benefits.

In addition to any liabilities for current employees, the Fund will also retain liability for payment of benefits to former employees, i.e. to existing deferred and pensioner members except where this is a complete transfer of responsibility to another Fund with a different administering authority.

Where an admission agreement is open (or for scheme employers) and the last active member ceases membership of the scheme, the Fund will approach the relevant employer with regards to its intentions for bringing in new active members. Where an intention to allow new active members to join the scheme is identified, the Fund's policy is to allow the employer six months from the date the active member left to admit such members. During this six-month period, the Fund will require payment of a lump-sum amount broadly equivalent to the percentage of contributions calculated by the Fund actuary, based upon the pensionable payroll used in the previous actuarial valuation. It is advised this lump-sum is paid on a monthly basis, or where the period is known until the next active member joins the scheme, a prorated payment can be calculated.

In the event an employer with an open admission agreement, or a scheme employer exceeds the six-month period without any active members having joined the scheme under that agreement, the Fund will enforce termination of the employer's participation in the scheme.

2.2 Pre-Funding for Termination

An employing body may choose to pre-fund for termination, i.e. to amend their funding approach to a least-risk methodology and assumptions. This will substantially reduce the risk of an uncertain and potentially large debt being due to the Fund at termination. However, it is also likely to give rise to a substantial increase in contribution requirements, when assessed on the minimum-risk basis.

For any employing bodies funding on such a minimum-risk strategy, a notional investment strategy may be assumed as a match to the liabilities. In particular, the employing body's notional asset share of the Fund may be credited with an investment return in line with the minimum-risk funding assumptions adopted rather than the actual (largely equity related) investment return generated by the actual asset portfolio of the Fund. The Fund reserves the right to modify this approach in any case, whether it might materially affect the finances of the scheme, or depending on any case-specific circumstances.

2.3 Exiting the Fund

When an employer's participation in the Fund terminates and the employer becomes an 'exiting employer', the LGPS Regulations require that a termination valuation is carried out. The purpose of this valuation is to determine the level of any surplus or deficit in an exiting employer's share of the Fund as at the exit date and whether the exiting employer is liable to pay an exit payment or is entitled to receive an exit credit in such circumstances.

A deficit upon termination of an employer's participation might arise in the following scenarios (please note that this list is not exhaustive):

- a) Non-payment of contributions to the Fund by an employing body prior to closure.
- b) Premature termination of an employing body's participation where market values are depressed relative to the liabilities in respect of the employing body.

FUNDING STRATEGY STATEMENT 2020

- c) The actual experience is less favourable than the assumptions used in setting contribution rates for that employer – for instance, higher than expected rates of early retirement on favourable terms or pay increases.
- d) Additional liabilities created as a result of the employing body closing, in particular the possible payment of immediate retirement benefits to all those over age 55 at that time.

The method used to calculate the termination valuation will ultimately depend on the characteristics of the exiting employer and in particular whether there is another scheme employer within the Fund that is prepared to act as a guarantor or succession employer for any residual liabilities and also in the context of the materiality of any impact on other participating scheme employers' contributions.

Where liabilities are "orphaned" without sufficient assets to cover the liabilities all remaining scheme employers that have active members in the Fund will have to cover any deficit arising from these liabilities via their own employer contributions, as assessed at each actuarial valuation (as required under Regulation 62 of the LGPS Regulations) or sooner if the liability profile of the employer is materially changed.

2.4 a) Policy for Employers With a Guarantor Participating in the Fund

Where the exiting employer has either:

- a guarantee from a scheme employer participating in the Fund with tax-raising powers;
- a guarantee from a central government department;
- or a guarantee from a scheme employer participating in the Fund, which benefits from a central government guarantee

then the default policy of the Fund is for the exit funding position to be based on a least risk basis, with the discount rate based upon government gilt yields of appropriate duration to the liabilities. In this instance, the scheme employer providing the guarantee will subsume all assets and liabilities from the exiting employer. No exit credit will be paid to, or any exit debt required from, the exiting scheme employer, unless the exiting employer is in surplus on the least risk valuation basis. The assets and liabilities will be subsumed within those of the guarantor employer, with future contribution requirements reassessed at each actuarial valuation.

However, for Schedule 2, Part 3 employers, where the service or contract is due to be transferred to another scheme employer participating in the Fund, subject to agreement from the guarantor, the Fund will consider the transfer of active member liabilities to the new employer based on the funding level of the previous exiting employer, as assessed in line with the assumptions consistent with the most recent actuarial valuation basis (ie, partially-funded upon commencement). This is based on the premise that the new employer has a reasonable prospect of retaining contributing employees and/or there is likely to be a succession employer to inherit liabilities.

In this instance the exiting employer will not be required to pay any exit debt and the scheme employer providing the guarantee subsumes all deferred and pensioner liabilities in respect of the exiting employer. In line with the "pass-through" arrangements outlined below, the new employer will pay the same contribution rate (primary rate only) as the scheme employer providing the guarantee scheme employer until next review.

b) Policy for Employers Without a Guarantor Participating in the Fund

Where the exiting employer does not have a guarantee as outlined in (a) above this means that there may not be any future scheme employer or guarantor to make good any shortfall between assets and liabilities. In order to protect other scheme employers from having to meet these liabilities in the future the Fund will need to ensure that there are enough assets in the Fund that are unlikely to fall in value and provide certainty to pay benefits. This is on the basis that, upon cessation, employers in this category are no longer subject to ongoing funding but have instead exited the Fund and do not have a scheme employer to subsume their assets and liabilities. Accordingly, the policy of the Fund is for assessment of the exit funding position to be based on a least risk basis, with the discount rate based upon government gilt yields of appropriate duration to the liabilities.

2.5 Pass-Through Arrangements

The Fund's policy from April 2019 is for the default arrangement to be for all new Schedule 2, Part 3 employers to pay the same primary contribution rate as the guarantor employer. The Fund will not obtain an actuarial assessment upon termination, instead the scheme employer providing the guarantee employer must accept full responsibility for the Schedule 2 Part 3 scheme employer's ("contractor's") assets and liabilities in the Fund, and will correspondingly be entitled to benefit from any surplus within the Fund relating to those liabilities. This arrangement is known as a pass-through arrangement.

The contribution rates for all employers will be reviewed at each subsequent actuarial valuation in line with Regulation 62 of the LGPS Regulations.

FUNDING STRATEGY STATEMENT 2020

The Fund's policy is for these pass-through arrangements to be documented in the service contract between the guarantor employer and the Schedule 2, Part 3 scheme employer, but where not agreed, the default will be for these arrangements to be included in the Fund's tripartite admission agreement.

As an alternative to the pass-through arrangement, if the guarantor employer and contractor agree to a standard admission agreement and notify the Fund within one month of the contract commencement date, the Fund may, at its discretion, implement such an admission agreement without reference to pass-through.

The administering authority reserves the right to modify this approach on a case-by-case basis, at its sole discretion, if the circumstances warrant it based on the advice of the Fund actuary and taking into account the risk associated with an employer in the context of the Fund as a whole. For instance, in the highly unlikely event that parties insisted upon access to the Fund through a statutory route, but did not wish to participate on a pass-through arrangement then the Fund would need to consider funding the new employer on a least-risk basis.



INVESTMENT STRATEGY STATEMENT (ISS) 2020

INVESTMENT STRATEGY STATEMENT 2020

1 INTRODUCTION

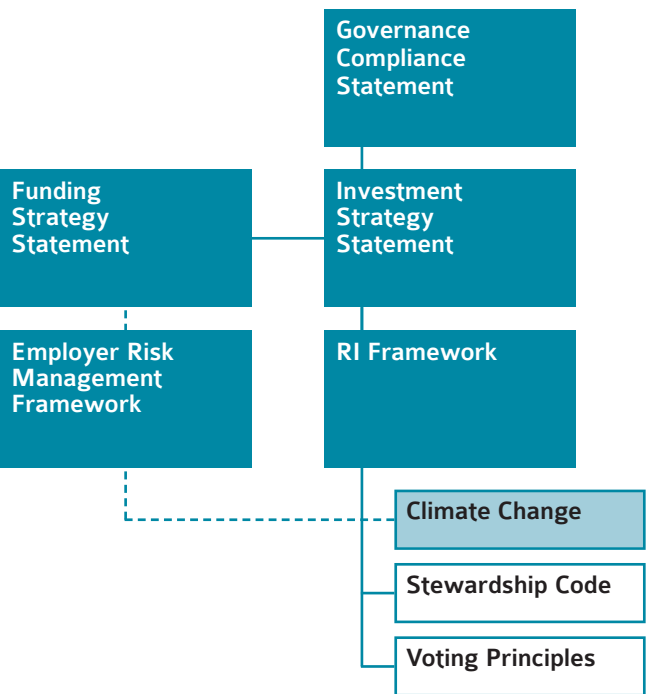
Local Government Pension Scheme (LGPS) regulations require administering authorities to prepare and maintain an Investment Strategy Statement ('ISS'). This ISS has been prepared by the West Midlands Pension Fund (the Fund) in accordance with regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (the 'Regulations') and associated guidance. In preparing the ISS, the Pensions Committee has consulted with such persons as it considered appropriate. This statement updates and replaces the March 2019 ISS for both the WMPF main fund and the previously separate West Midlands Integrated Transport Authority Pension Fund (WMITAPF) Investment Strategy Statements. This statement was approved by Pensions Committee on 25 March 2020.

The ISS outlines the Fund's investments objectives and investment beliefs, identifies the risks the Fund faces and outlines how these risks are controlled/mitigated. In defining the implementation of the Fund's investment strategy, the ISS sets out the Strategic Investment Allocation Benchmark (SIAB) including the permitted ranges for different investment asset types.

The ISS also outlines the Fund's views on Responsible Investment (RI) and how RI is integrated into the investment decision making process and the role it plays in the way the Fund selects and stewards its assets.

The ISS is supported by the Funding Strategy Statement (FSS) and the Fund's employer covenant monitoring framework. Together these ensure an integrated approach to funding and investment strategy and risk management supporting the Fund in meeting the regulatory funding requirements.

The statements and framework relate as follows and are supported by a broader framework of policies in investments, most notably those relating to Responsible Investment:



Investment Governance Framework

The City of Wolverhampton Council is the administering authority for the Fund under the regulations. The City of Wolverhampton Council delegates responsibility for the administration and management of the Fund to the Pensions Committee. The Chief Executive of the City of Wolverhampton Council delegates certain responsibilities to the Director of Pensions who, in turn, delegates to the internal officers and external fund managers. The Investment Advisory Panel advises the Director of Pensions on investment issues relating to the Fund.

The Pensions Committee has oversight of the implementation of the management arrangements for the Fund's assets and comprises representatives from the seven district councils and three local trade unions. The Fund has a statutory Local Pensions Board whose role is to assist in the good governance of the scheme by ensuring compliance with statutory and regulatory duty. The Investment Advisory Panel includes two external advisers alongside the Director of Pensions, Assistant Director and Head of Investments. Neither the Local Pensions Board nor the Investment Advisory Panel have any decision-making powers. Roles and responsibilities are set out in more detail in Appendix A.

INVESTMENT STRATEGY STATEMENT 2020

The Committee's investment objectives are represented by the Strategic Investment Allocation Benchmark (SIAB) included as Appendix B. This reflects the Committee's views on the appropriate balance between generating long-term investment return and taking account of market volatility and the risk and nature of the Fund liabilities.

ISS Review

The ISS is subject to fundamental review at least every three years and from time to time on any material changes to any aspects of the Fund, its liabilities, finances and its attitude to risk which are judged to have a bearing on the stated investment policy. In line with other Fund policies, the ISS is reviewed annually. In preparing the ISS, the Committee has considered advice from the Fund's investment and risk consultants.

Following a process of public consultation undertaken by the Ministry of Housing Communities and Local Government (MHCLG), Regulations were laid before parliament providing for the merger of the former West Midlands Integrated Transport Authority (WMITA) pension fund into that of the main West Midlands Pension Fund. Those regulations came into force on 8 November 2019 and apply retrospectively to effect merger from 1 April 2019.

In conjunction with the merger, former employers of the WMITA pension fund now participate in the main West Midlands Pension Fund with associated assets and liabilities transferred to two separate admission body funds (ABF). For the purposes of the 2020 Investment Strategy Statement (and thereafter) the associated investment strategy statements for the new separate ABFs are included as appendices to this ISS (appendices D and E).

The Fund has undertaken a consultation process with key stakeholders which have included group consultation meetings on the valuation and high-level investment strategy. Employers have been issued with a copy of the draft ISS and the draft has been published on the Fund's website pending approval by Pensions Committee. The two employers covered by the ABFs have also been consulted on their individual investment strategies, where applicable, which are incorporated in the appendices to the ISS.

2 PURPOSE OF THE ISS

The aims and purpose of a pension fund operating within the Local Government Pension Scheme (LGPS) are set out in the LGPS Regulations and the Public Service Pension Act 2013. With regard to funding, they can be summarised as follows.

The aims of the Fund are to:

- manage employers' liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due;
- enable primary and total contribution rates to be kept as nearly constant as possible; and
- seek returns on investment within reasonable risk parameters.

The purpose of the Fund is to:

- receive and invest monies in respect of contributions, transfer values and investment income; and
- pay out monies in respect of Fund benefits, transfer values, costs, charges and expenses, as defined in the GPS regulations and as requirement in the LGPS (Management and Investment of Funds) Regulations 2016.

The purpose of the ISS is:

- to set out the governance arrangements for investment;
- to set out the Fund's investment objectives;
- to define the Fund's investment beliefs;
- how the Fund will manage investment-related risks;
- how the Fund incorporates responsible investment; and
- to set out the Fund's strategic investment asset benchmark (SIAB) and ranges allowed to provide flexibility.

3 INVESTMENT OBJECTIVES

The primary objective of the Fund is to ensure that the Fund is able to meet the pension promises (liabilities) made to scheme members as they fall due. To meet this objective the Fund sets the investment strategy so that the target level of return is achieved over the longer-term and that sufficient cashflow is generated so that its liabilities can be met.

The Fund has a range of other objectives which include considering the needs of all key stakeholders which are supplementary to the aims of the Fund.

The funding objectives are set out in the Funding Strategy Statement.

INVESTMENT STRATEGY STATEMENT 2020

4 INVESTMENT BELIEFS

The Fund's Statement of Investment Beliefs are set out in Appendix C which underpin the Fund's approach to investment strategy and how it is implemented. These beliefs underpin the ISS and cover:

- Financial market beliefs – The Fund adopts a long-term approach to investing as its liabilities stretch far into the future but in so doing seeks to also take a proactive approach to the management of assets taking into account the risk/return profile of different investment opportunities over a range of time periods.
- Governance beliefs – The Fund believes having effective governance structures and policies will enable rigorous and tested decision making and will add value to the Fund over the longer term. Transparency and cost effectiveness provide key tenets of being a well governed Fund.
- Investment strategy – The Fund's investment strategy will encompass its approach to risk management, risk tolerance, liquidity and levels of return required to meet its strategic objectives. The Fund will set its strategic asset allocation to deliver the long-term returns required to meet its funding needs taking into account diversification, the requirement to remain agile, risk and cost of implementation, recognising that risk should be viewed both qualitatively and quantitatively.
- Responsible investment – As long-term owners of capital (assets), 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. The Fund is integrating responsible investment into the way it selects and stewards all assets.
- Climate change – The Fund adopts an evidence-based approach to climate change and believes there is overwhelming evidence to support that climate changes poses both risks and opportunities to the Fund's investments. The Fund will consider the impact of climate change in both its asset allocation and individual investments when making decisions.

5 IDENTIFICATION AND MANAGEMENT OF RISKS

Evaluation of risks that may impact on the investment strategy of the fund and expectation of future returns is crucial in determining the appropriate measures to mitigate those risks. The ISS identifies key risks specific to the Fund and the management or controls made to mitigate those risks:

Financial Risks	Management / Control
<p>Investment risk – Assets do not deliver the return required to meet the cost of benefits payable from the Fund; potential drivers:</p> <ul style="list-style-type: none"> • Inappropriate asset allocation and risk management • Investment market performance/volatility • Manager underperformance • The possibility that inflation is higher than expected increasing the Fund's liabilities and/or that the assets held deliver a level of return lower than inflation 	<ul style="list-style-type: none"> • Investment strategy considered in context of Fund liabilities and return requirement set within the Funding Strategy Statement • Asset liability modelling and stress testing to set strategic benchmarks within Investment Strategy Statement (ISS), with annual review • Regular monitoring of strategic asset allocation and returns relative to benchmark • Regular monitoring of manager performance • Diversified portfolio with exposure to a wide range of asset classes, portfolio holdings and different management styles • Mitigates inflation risk through holding a diversified portfolio of growth and inflation-linked assets. Inflation risk is considered annually in the review of the SIAB and triennially as part of the actuarial valuation
<p>Increasing maturity and benefit cashflow requirement; potential drivers:</p> <ul style="list-style-type: none"> • Falling contribution income and increasing total benefit payments as more members start to draw their benefits • Declining active membership due to change in local authority service delivery models • Increasing reliance on income-generating assets 	<ul style="list-style-type: none"> • Investment strategy review develop based on future benefit cashflow projection • Modelling of investment strategy and future asset income streams • Regular monitoring of membership movements and liability profile

INVESTMENT STRATEGY STATEMENT 2020

Financial Risks	Management / Control
<p>Changing scheme regulations and guidance – impacting scheme benefits, funding strategy, actuarial valuations, investment strategy; potential drivers include:</p> <ul style="list-style-type: none"> • Changes to scheme benefits from the LGPS cost management process • Changes to the approach for setting actuarial factors (for example on early retirement) • Changing regulations and guidance for administering authorities within the LGPS 	<ul style="list-style-type: none"> • Ongoing horizon scanning and consideration on the Fund risk register • Review and response to consultations on changes to the LGPS regulations and guidance which may impact scheme funding • Participation in national review and consideration of emerging issues within the LGPS
<p>Asset risks (the portfolio versus the SIAB)</p> <ul style="list-style-type: none"> • Concentration risk that a significant allocation to any single asset category and its underperformance relative to expectation would result in difficulties in achieving funding objectives. • Illiquidity risk that the Fund cannot meet its immediate liabilities because it has insufficient liquid assets • Currency risk that the currency of the Fund's assets underperforms relative to the SIAB • Manager underperformance when the Fund managers fail to achieve the rate of investment return assumed in setting their mandates 	<p>Asset risks at the fund level are mitigated by the setting and review of the SIAB. At the asset class level asset risks are mitigated by risk controls within individual asset mandates</p> <ul style="list-style-type: none"> • Constraining how far Fund investments deviate from the SIAB by setting diversification guidelines and the SIAB strategic ranges • Investing in a range of investment asset mandates, each of which has a defined objective, performance benchmark, eligibility criteria and permitted ranges for individual securities which, taken in aggregate, constrain risk within the Fund's expected parameters • Investing across a range of liquid assets, including quoted equities and bonds. This recognises the Fund's need for some access to liquidity in the short term • Robust financial planning and clear operating procedures for all significant activities including regular review and monitoring manager performance against their mandate and investment process • Appointing several investment managers. In doing so the Fund has considered the risk of underperformance by any single investment manager
<p>Responsible investment (RI) risks that are not given due consideration by the Fund or its investment managers</p>	<ul style="list-style-type: none"> • The Fund actively addresses environmental, social and governance risks through implementation of its Responsible Investment (RI) Framework and its Compliance with the UK Stewardship Code for Institutional Investors. Key elements include selection, stewardship and disclosure
<p>Climate change - The Fund adopts an evidence-based approach to climate change and believes there is overwhelming evidence to support that climate changes poses both risks and opportunities to the Fund's investments. The Fund will consider the impact of climate change in both its asset allocation and individual investments when making decisions</p>	<ul style="list-style-type: none"> • Establishment of a separate climate change framework and strategy setting out its approach to this risk • Monitoring and measuring the impact of climate change risks

INVESTMENT STRATEGY STATEMENT 2020

Operational Risks	Management / Control
Investment pooling:	<ul style="list-style-type: none"> Investment Pool Risk Register
<ul style="list-style-type: none"> Expected benefits and cost savings do not emerge over the long-term 	<ul style="list-style-type: none"> Collaboration on product development – protocol in place Monitoring and management of costs
Transactional:	<ul style="list-style-type: none"> Professional advice from specialist transition managers, due diligence and oversight on transitions
<ul style="list-style-type: none"> Transition risks – unexpected costs or losses arising from transition of assets Custody – risk of losing economic rights to Fund assets when in custody or being traded Credit or counterparty – potential default of counterparty Financial recording of assets is inaccurate 	<ul style="list-style-type: none"> Use of global custodian, contractual management and accounting records Due diligence prior to appointment, review of credit ratings, internal controls reporting and compliance monitoring Reconciliation of assets, internal and external audit

6 INVESTMENT STRATEGY

The Committee has translated its objectives into a suitable strategic investment allocation benchmark (SIAB) and structure for the Fund (set out in Appendix B) taking into account both the liability structure and the Fund's objectives. The Fund benchmark is consistent with the Committee's views on the appropriate balance between generating a satisfactory long-term return on investments whilst taking account of market volatility and risk and the nature of the Fund's liabilities. The investment beliefs in Appendix C also help in formulating the investment strategy.

The Committee monitors investment strategy relative to the agreed asset allocation benchmark and strategic ranges.

The Fund will be diversified across multiple asset classes with different risk return expectations and correlations to deliver the targeted return of the Fund. Appendix B shows the Strategic Investment Allocation Benchmark (SIAB) and strategic ranges.

The Fund will use risk attribution provided by independent advisors to assess diversification benefits.

7 DAY-TO-DAY MANAGEMENT OF THE ASSETS

Investment Management Structure

The Pensions Committee retains responsibility for the investment strategy of the Fund but has delegated oversight of its implementation to the Director of Pensions, advised by the Investment Advisory Panel.

The day-to-day management of the Fund's investments is led by the Assistant Director - Investment and Finance, supported by an internal team, investment consultant and external managers including the pool company, LGPS Central Limited. Further details are set out in Appendix A.

The Internal Investment Committee (IIC) is responsible for the day-to-day management and oversight of the assets including implementation of the strategic asset allocation within the benchmark ranges set out in the SIAB. This is supported by the Investment Advisory Panel and advice from the appointed investment consultants.

External Investment Managers

The Fund has appointed a number of external investment managers all of whom are authorised under the Financial Services and Markets Act 2000 to undertake investment business.

The investment managers are required to comply with LGPS investment regulations and operate within investment mandates set by the Fund. External managers are also expected to comply with the Fund's requirements on cost transparency.

Investment Pooling

A significant amount of investment is implemented through LGPS Central Limited following the setting up of a local authority shareholder owned FCA-regulated company, alongside seven Partner Funds and launched in April 2018. This comprises a mix of directly managed sub-funds along with a number of advisory mandates which the Fund has in place to assist with the day-to-day management of the assets. Both the individual sub-funds and the advisory portfolios are set a clear investment mandate with an accompanied investment process.

Oversight of performance is the responsibility of the IIC.

INVESTMENT STRATEGY STATEMENT 2020

Expected Return on the Investments

Over the long-term, it is expected that the investment returns will be at least in line with the assumptions underlying the actuarial valuation (the discount rate). The individual mandates are expected to match or exceed the specific targets set for each portfolio over time.

Suitable Investments

Subject to the LGPS regulations on allowable investments the fund may invest in a wide range of assets and strategies including quoted equity, government and non-government bonds, currencies, money markets, commodities, traded options, financial futures and derivatives, alternative strategies (including insurance linked securities and loans), private equity and debt markets, infrastructure and property. Investment may be made in-house, in segregated mandates, indirectly (via pooled funds or partnership agreements), in physical assets or using derivatives. The Fund will also use external managers to carry out stock lending ensuring suitable controls/risk parameters are put in place to prevent losses.

The Fund may make use of derivatives either directly or in pooled funds when investing in these products, for the purpose of efficient portfolio management or to hedge specific risks.

The Fund, after seeking appropriate investment advice, has agreed specific benchmarks with each manager so that, in aggregate, they are consistent with the overall asset allocation for the Fund. The Fund's investment managers will hold a mix of investments which reflects their views relative to their respective benchmarks. Within each major market and asset class, the managers will maintain diversified portfolios through direct investment or pooled vehicles and a mix of asset types across a range of geographies in order to provide diversification of returns.

Additional Assets

Assets in respect of members' additional voluntary contributions are held separately from the main Fund assets. These assets are held with Utmost Life (from January 1st 2020) and the Prudential Assurance Company Limited. Members have the option to invest in with-profits funds, unit-linked funds and deposit funds.

The Fund monitors, from time to time, the suitability and performance of these vehicles.

Realisation of Investments

The Fund's liquidity characteristics are monitored on a regular basis and the majority of the Fund's investments may be realised quickly, if required. The Fund will ensure that the liquidity of the investments is suitable to meet future cashflow requirements. In general, the Fund's investment managers have discretion in the timing of realisations of individual, underlying investments and in considerations relating to the liquidity of those investments. Private equity, infrastructure and a number of the Fund's alternative investments, may be difficult to realise quickly in certain circumstances.

Monitoring the Performance of Fund Investments

The performance of all assets and investments is independently measured by an external provider. In addition, officers of the Fund meet or engage with all investment managers (both segregated and pooled) regularly to review their arrangements and the investment performance. The Pensions Committee meets regularly and reviews markets and Fund performance at least annually.

8 DAY-TO-DAY CUSTODY OF THE ASSETS

The Fund has appointed a custodian with regard to the safekeeping of the assets in the Fund and other investment administrative requirements.

9 SECURITIES LENDING

Securities lending is undertaken in respect of the Fund's quoted equities holdings through the custodian/asset servicer. There is a formal securities lending agreement and approved collateral management framework to control and mitigate risk. Securities lending may also take place in pooled investment vehicles held by the Fund including those developed with LGPS Central Limited.

10 INVESTMENT POOLING

The Fund is part of the LGPS Central pool with the objective that the pooled investments can expect to benefit from lower investment costs and the opportunity to access alternative investments on a collective basis. As a local authority-owned and FCA-registered investment manager, the pool company, LGPS Central Limited is required to provide governance, transparency and reporting to give the Fund assurance that its investment instructions are being carried out appropriately. The Fund monitors the performance and management of its assets with LGPSC Ltd (either directly in sub-funds or through advisory and other forms of agreements) on a quarterly basis. It undertakes its oversight arrangements both collectively with other Partner Funds but also individually to assess whether the investments are meeting the Fund's longer-term strategic requirements.

INVESTMENT STRATEGY STATEMENT 2020

The Fund intends to invest the majority of its assets through the LGPS Central Pool, transitioning over time and maintaining operational cash balances within the Fund. The Fund is likely to continue to hold a number of legacy assets and may hold assets outside the pool to meet specific strategic investment requirements not available through the pool or more effectively managed outside. These will continue to be managed by the Fund given liquidity and the potential for significant loss of value should these assets need to be redeemed to meet the requirement to transition assets.

Investment strategy is set by the Pension Committee who also continues to oversee implementation of the investment strategy with the assistance of Fund officers and independent advisors. This includes the transition of assets to the LGPS Central Pool and ongoing monitoring of those arrangements, through the pool's governance framework.

11 RESPONSIBLE INVESTMENT

The Fund's approach to responsible investment is set out below and further detailed in its Responsible Investment Framework. The Fund believes that effective management of financially material responsible investment (RI) including climate change risks should support the Fund's requirement to protect returns over the long term. The Fund seeks to integrate responsible investment factors (adding corporate governance, environmental and social factors to the existing financial factors) into the investment process across all relevant asset classes. The Fund votes on all investments where possible and engages with companies when engagement will add value to the Fund.

The Fund is a signatory to the Stewardship Code (see www.wmpfonline.com) and the Principles of Responsible Investment. The Fund works with like-minded investors to promote best practice in long-term stewardship of investments. The Fund will not seek to exclude investments that are not barred by UK law.

RI Beliefs and Guiding Principles

The Fund's RI beliefs and guiding principles underpin its RI approach and are set out in detail in the Fund's Responsible Investment Framework.

RI Integration

The Fund believes that effective management of financially material RI risks should support the Fund's requirement to protect and potentially enhance returns over the long term. Investment managers incorporate RI into their investment process. With regard to climate change risk, the Fund recognises that the scale of the potential impact is such that a proactive and precautionary approach is needed in order to address it setting out in more detail the Fund's approach to climate change within its separate Climate Change Framework and Strategy.

The Fund considers RI to be relevant to the performance of the entire Fund across all asset classes. RI investments will be considered where any non-financial benefit is aligned with a positive financial benefit.

There are some investment opportunities arising from environmental and social challenges which can be captured so long as they are aligned with the Fund's investment objectives and strategy. The Fund recognises the need to operate at a market-wide level to promote improvements that will help it to deliver sustainable long-term growth.

Engagement Versus Exclusion

Investee companies with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events. There is risk but also opportunity in holding companies that have weak governance or financially material RI issues. Thus, the Fund prefers to adopt a policy of risk monitoring and engagement in order to positively influence company behaviour and enhance shareholder value, influence that would be lost through a divestment approach. The Fund extends this principle of 'engagement for positive change' to the due diligence, appointment and monitoring of external fund managers who are at an early stage of developing their RI approach.

The Fund believes that it will improve its effectiveness by acting collectively with other like-minded investors because it increases the likelihood that it will be heard by the company, fund manager or other relevant stakeholder compared with acting alone. The Fund will continue to monitor the success of both its individual but also collective engagement with companies.

Voting

Where practical, the Fund aims to vote in every single market in which it invests in alignment with corporate governance best practice guidelines. In the interests of sending a consistent signal to investee companies, the Fund has decided to use a third-party provider for analysis of governance issues and executing its proxy voting rights across all markets in which it invests. At the present time, the Fund believes that the advantage of a consistent signal outweighs the inherent disadvantages to disconnecting the voting function from the investment and engagement decisions of external fund managers.

INVESTMENT STRATEGY STATEMENT 2020

12 CLIMATE CHANGE

The Fund takes an evidenced based approach to the risks around climate change and acknowledges the potential financial risks that climate change pose to the Fund's investments. The Fund has developed and published a separate Climate Change Framework and Strategy, setting out how it intends to manage both the risks and opportunities of climate change and how it intends to integrate climate change into its broader strategy and asset management. The Fund has set targets and will monitor and manage delivery of those targets and report back to Pensions Committee on progress. The Climate Change Framework and Strategy is subject to annual review by the Committee.

13 COMPLIANCE WITH THIS STATEMENT

The Fund will monitor compliance with this statement. In particular, it will ensure its investment decisions are exercised with a view to giving effect to the principles contained in the statement, so far as is reasonably practicable.

14 COMPLIANCE WITH MYNERS

Following from the Myners' report of 2000 into institutional investment in the UK, the Government, after consultation, indicated it would take forward all of the report recommendations identifying investment principles to apply to pension schemes.

These principles cover the arrangements for effective investment management decision-making, setting and monitoring clear investment objectives, focus on asset allocation, arrangements to receive appropriate expert advice, explicit manager mandates, shareholder activism, use of appropriate investment benchmarks, measurement of performance, transparency in investment management arrangements and regular reporting.

The Myners' principles have since been updated, and the Fund continues to support and comply with them. Full details of compliance are set out in the Fund's Compliance with Myners' Statement which can be found on the Fund's website.

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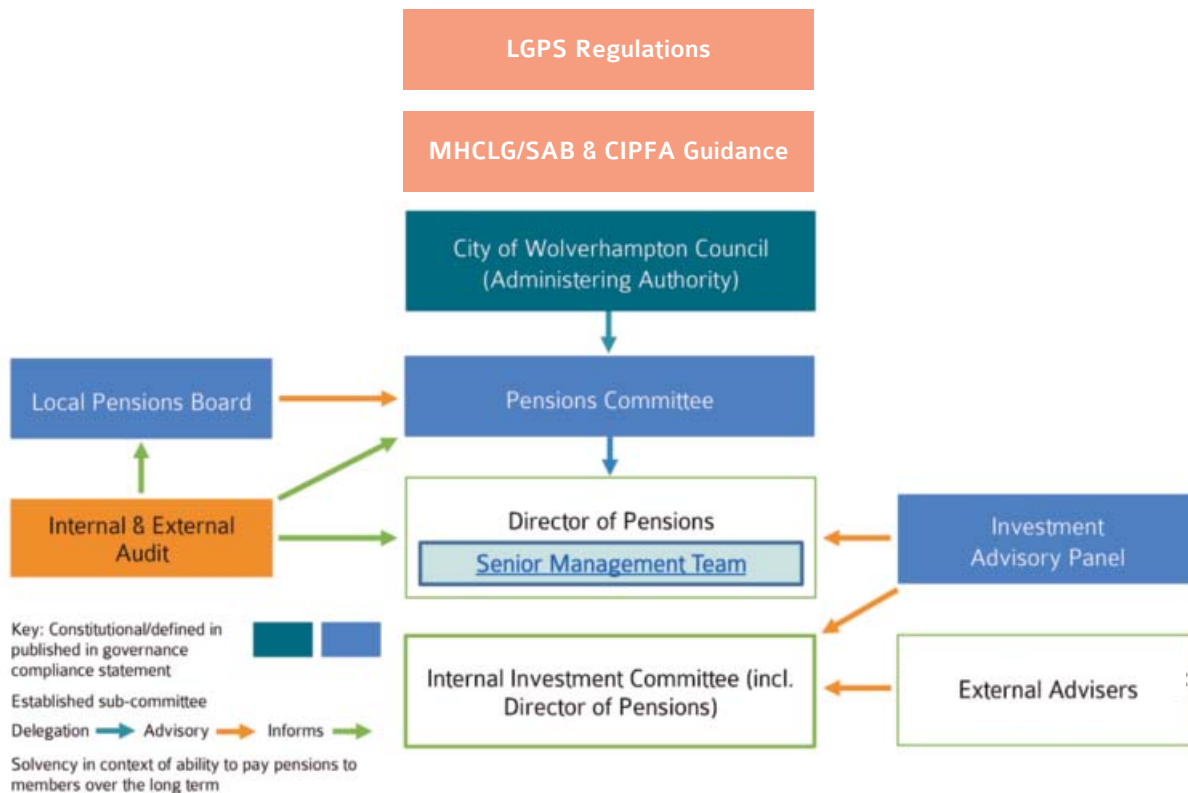
LIST OF APPENDICES

- **Appendix A** – Roles and Responsibilities
- **Appendix B** – WMPF Main Fund Strategic Investment Allocation Benchmark (SIAB) and Ranges
- **Appendix C** – Statement of Investment Beliefs
- **Appendix D** – WMPF Separate Admission Fund NX Strategic Asset Allocation
- **Appendix E** – WMPF Separate Admission Fund PBL Strategic Asset Allocation

INVESTMENT STRATEGY STATEMENT 2020

APPENDIX A: ROLES AND RESPONSIBILITIES

The regulatory and governance framework in place to manage investment strategy includes:



The roles and responsibilities of the different bodies in the governance structure are outlined below:

Pensions Committee	<ul style="list-style-type: none"> Effect decisions on the management and administration of the Fund including investment decisions, annual approval of the Investment Strategy Statement
Local Pensions Board	<ul style="list-style-type: none"> Review the process of effective decision-making
Director of Pensions	<ul style="list-style-type: none"> Delegation for day-to-day management of Pension Fund including investments and implementation of investment strategy
Investment Advisory Panel	<ul style="list-style-type: none"> Supports the Director of Pensions and Internal Investment Committee with strategic advice, challenge, market commentary and oversight of portfolio management
Internal Investment Committee	<ul style="list-style-type: none"> Day-to-day asset allocation and investment strategy decision-making and implementation of investment strategy, together with oversight and monitoring of investment management arrangements
Investment Advisors	<ul style="list-style-type: none"> Provision of advice on markets, investment strategy, risk management and individual investment ideas
Internal & External Audit	<ul style="list-style-type: none"> Review process, decisions and implementation and to provide assurance to those charged with governance of the Pension Fund

INVESTMENT STRATEGY STATEMENT 2020

The roles of the members and the Committee are as follows:

To exercise all those functions of City of Wolverhampton Council which are required to be performed by its role as Administering Authority for the Local Government Pension Scheme under the Public Services Pensions Act 2013 (and any associated legislation) adhering to the principles required by Statutory Guidance and the Code of Practice issued by The Pensions Regulator.

The key duties in discharging this role are:

- 1 To act as Pension Scheme Manager for the administering authority in the management and administration of the local government pension scheme for the West Midlands.
- 2 To be responsible for compliance with legislation and best practice
- 3 To undertake training as outlined in the Fund's Pensions Committee and Pensions Board Training Policy.
- 4 To review and agree the Investment Strategy Statement, Responsible Investment Statement and Funding Strategy Statement for the Fund.
- 5 To monitor funding and investment activity and the performance of the Fund's investments;
- 6 To produce and maintain an Administering Authority Statement, Pension Administration Strategy, Governance Compliance Statement, Communications Statements and publish a Pension Fund Annual Report;
- 7 To determine employer admission policy and agreements;
- 8 To appoint and monitor an investment pool operator to manage the assets of the Fund;
- 9 To appoint Committee advisors;
- 10 To determine detailed management budgets; and the Fund's Service Plan
- 11 To administer all aspects of the West Midlands Pension Fund on behalf of City of Wolverhampton Council.

Further information about the role of the Pensions Committee is available in the Pensions Committee Terms of Reference which can be found in the City of Wolverhampton Council Constitution.

The Director of Pensions oversees the implementation of Fund policy and the management of the day-to-day operational functions through the Fund's service areas. The Committee are advised and supported by the Chief Executive, Director of Pensions, Assistant Director, Section 151 Officer, Monitoring Officer, Heads of Service and Senior Finance and Legal Officers from the City of Wolverhampton Council.

Local Pensions Board

The role of the Local Pensions Board is to assist in the good governance of the scheme through the monitoring of Fund performance and adherence to statutory duties. The Board consists of six employer and six member representatives consisting of five employer and five member representatives together with two City of Wolverhampton councillors, each sitting one as an employer representative and one as a member representative.

The Pensions Board is not a decision-making body, nor does it hold a scrutiny function; its role is to assist in the compliance with statutory duties.

Investment Advisory Panel

The Investment Advisory Panel advises the Director of Pensions on investment issues relating to the Fund.

The Investment Manager

Appointed Investment Managers carry out the investments for the Fund. Investment managers encompass both LGPS Central Limited and external providers with investment activity governed by investment management agreements (external providers) and the terms of the LGPS Central Limited Authorised Contractual Scheme and other legal entities (eg, limited partnerships). The Fund also maintains a number of investment advisory agreements with LGPS Central Limited which are subject to review on an ongoing basis.

INVESTMENT STRATEGY STATEMENT 2020

APPENDIX B: WMPF MAIN FUND STRATEGIC INVESTMENT ALLOCATION
BENCHMARK AND RANGES

Medium-Term Asset Allocation March 2020			
	Target %	Total %	Range %
Growth		50.00	40-60
Liquid growth		42.0	
Developed market equities	30.0		
Emerging market equities	12.0		
Illiquid growth		8.0	
Private equity	6.0		
Special opportunities	2.0		
Income		38.00	30-50
Liquid income		14.0	
Multi-asset credit	5.5		
Corporate bonds	4.0		
Emerging market debt	4.5		
Illiquid income		24.0	
Infrastructure	9.0		
Property	9.0		
Diversified credit	6.0		
Stabilising and low risk		12.0	5-20
Stabilising		7.0	
Government bonds	2.0		
Index-linked bonds	3.0		
Cash	2.0		
Stabilising low risk		5.0	
Index-linked bonds	1.0		
Corporate bonds	2.0		
Multi-asset credit	1.0		
Diversified credit	1.0		
Total	100.0		

INVESTMENT STRATEGY STATEMENT 2020

- There are opportunities for the Fund to access a level of illiquidity premium by its ability to invest longer term in illiquid assets where there is evidence that it is beneficial to do so
- Diversification is a key risk management tool for the long-term investment of Pension Fund assets
- Investing for the long-term can enable the Fund to use short term volatility to acquire investments when attractively priced
- The Fund does not need to own an asset class/investment strategy where it is not expected to help in delivering the required risk-adjusted return
- The Fund recognises that currency management including the use of currency hedging is another risk management tool
- The Fund believes that the use of derivatives e.g. market futures and currency forwards can enable the Fund to implement its investment strategies and make asset allocation changes in a cost effective and efficient way.

Governance and organisational beliefs

Headline Governance and Organisational Beliefs – The Fund believes having effective governance structures and policies will enable rigorous and tested decision making and will add value to the Fund over the longer term. Transparency and cost effectiveness provide key tenets of being a well-governed Fund

- Effective governance and clear decision-making structures promote clear accountability, audit and transparency in decision making leading to appropriate levels of challenge and improved investment outcomes
- Internal investment management can lead to lower costs, improved transparency and greater responsiveness in meeting the Fund's broader strategic objectives including those aligned with responsible investment.
- The Fund will assess and select the most appropriate benchmarks or absolute return targets for individual asset classes and will use a customised benchmark for the Fund as a whole
- The Fund will assess its performance against its customised benchmark and will assess its longer performance against relevant peer groups both national and international comparatives to assess the value add that the Fund is delivering
- The Fund will assess a range of implementation routes to accessing asset classes and individual investment opportunities. This will include the use of the investment pool company
- Investment costs are a certain cost versus investment performance which provides for an uncertain outcome and the Fund believes that investment costs should be fully transparent and assessed as part of any investment decision.
- Effective cost management will enhance investment returns. Cost should be transparent and assessed within decision making and monitored to ensure investments continue to offer VFM
- Investment costs are an important determinant in assessing investments, but net of fees performance is a more important factor in delivering investment performance
- Effective manager monitoring, and oversight is critical for risk management and enhancing outcomes
- Effective implementation and structuring of investment portfolios should enhance the long-term returns to the Fund

Investment strategy beliefs

Headline strategy beliefs – The Fund's investment strategy will encompass its approach to risk management, risk tolerance, liquidity and levels of return required to meet its strategic objectives. The Fund will set its strategic asset allocation to deliver the long-term returns required to meet its funding needs taking into account diversification, the need for flexibility, risk and cost of implementation

- Taking a long-term perspective on investment strategy will deliver better outcomes for the Fund
- SAA is a key determinant of risk and return and the Fund believes that this will add greater value than individual manager or stock selection over time
- SAA targets needs to encompass flexibility to be able to take account of market volatility and enable the Fund to manage cashflows
- Alternative asset classes add further diversity to the portfolio and improve its risk-return characteristics

INVESTMENT STRATEGY STATEMENT 2020

APPENDIX C: STATEMENT OF INVESTMENT BELIEFS

The Fund's investment beliefs outline key aspects of how it sets and manages the Fund's exposures to investment risk. They are as follows:

Headline beliefs

Objectives beliefs – As a pension fund the primary objective is to ensure that the Fund is able to meet the pension promises (liabilities) made to scheme members as they fall due. The Fund has a range of other objectives which include considering the needs of all key stakeholders which are supplementary to the primary objective

Financial market beliefs – The Fund takes a long-term approach to investing as its liabilities stretch into the future.

The Fund has a proactive approach to the management of assets taking into account the risk/ return profile of different investment opportunities over a range of time periods.

Governance beliefs – The Fund believes having effective governance structures and policies will enable rigorous and tested decision making and will add value to the Fund over the longer term. Transparency and cost effectiveness provide key tenets of being a well-governed Fund.

Investment strategy – The Fund's investment strategy will encompass its approach to risk management, risk tolerance, liquidity and levels of return required to meet its strategic objectives. The Fund will set its strategic asset allocation to deliver the long-term returns required to meet its funding needs taking into account diversification, the requirement to remain agile, risk and cost of implementation, recognising that risk should be viewed both qualitatively and quantitatively.

Responsible investment – As long-term owners of capital (assets), 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. The Fund is integrating responsible investment into the way it selects and stewards all assets.

Climate change – The Fund adopts an evidence-based approach to climate change and believes there is overwhelming evidence to support that climate changes poses both risks and opportunities to the Fund's investments. The Fund will consider the impact of climate change in both its asset allocation and individual investments when making decisions.

Objectives

Headline objectives – As a pension fund the ultimate objective is to ensure that the Fund is able to meet the pension promises (liabilities) made to scheme members as they fall due. The Fund has a range of other objectives which include considering the needs of all key stakeholders which are supplementary to the primary objective.

- Setting clear and well-defined objectives are essential to reflect the Fund's long-term direction of travel
- Use of an integrated risk management framework including interlinking with both employer covenant monitoring and funding work to assist in delivering the sustainability of the Fund
- To meet the changing needs of the Fund's scheme membership and employer base, noting in particular the growing number of both members and employer but also changing workforce patterns and nature of employment and employers in the Fund.
- The Fund's asset allocation will reflect a risk-based assessment of its ability to meet its long-term pension liabilities taking into account funding levels, cash flow and balancing risks to long term sustainability of contributions

Financial market beliefs

Headline financial market beliefs – The Fund takes a long-term approach to investing as its liabilities stretch into the future and in so doing seeks to take a proactive approach to the management of assets taking into account the risk/return profile of different investment opportunities over a range of time periods.

- There exists a relationship between the level of investment risk taken and the rate of expected investment return. The Fund monitors the long-term returns (10 years plus) of asset classes and their level of risk through assessing the level of volatility over time
- Markets are dynamic and asset values can become distorted over time providing opportunities for the Fund to benefit from the mispricing of assets

INVESTMENT STRATEGY STATEMENT 2020

- Active management can add value over time, but it is not guaranteed and can be hard and more expensive to access. Where active strategies are not considered to add value, a passive approach will be selected
- Managing fees and costs matter especially in low-return environments. Fee arrangements with our Fund managers – as well as the remuneration policies of investee companies – should be aligned with the Fund's long-term interests
- Strategic asset allocation is the most important driver of the Fund's investment outcome. The asset allocation process balances diversified risks against the expected additional returns for these risks. The main sources of return for the Fund for bearing risk ('risk premia') are equity, credit, and illiquidity
- Diversification through effective portfolio construction is a key technique available to investors for spreading risk across a range of factors and improving risk-adjusted returns

Responsible investment beliefs

Headline responsible investment beliefs – 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. Investing responsibly and engaging as long-term owners reduces risk over time and positively impacts investment returns. The Fund will integrate responsible investment into the way it manages all assets

- Effective management of financially material ESG risks including climate change risks should support the Fund's requirement to protect and optimise returns over the long term
- Investee companies with robust governance structures should be better positioned to handle the effects of shocks and stresses of future events
- There are some investment opportunities arising from environmental and social challenges which can be captured so long as they are aligned with the Fund's investment objectives and strategy.
- Responsible Investment should be integrated into the investment process
- The Fund will manage responsible investment factors through engagement rather than exclusions
- The Fund may take into account non-financial factors when making investment decisions, provided that it is able to demonstrate no significant financial detriment from doing so
- The Fund believes working collaboratively with other investors will deliver improvements to the way in which companies are managed and the provides the opportunity to influence wider policy which could impact on the long term returns to the Fund

Climate change beliefs

Headline climate change beliefs – The Fund adopts an evidence-based approach to climate change and believes there is overwhelming evidence to support that climate changes poses both risks and opportunities to the Fund's investments. The Fund will consider the impact of climate change in both its asset allocation and individual investments when making decisions

- The Fund believes there is overwhelming evidence to support the fact that climate change is impacting on the environment and that this will have longer term consequences for the Fund's financial returns if not managed
- We believe that climate change is financially material across all major asset classes. In support of fiduciary duty, the risks and opportunities presented by climate change should be mitigated and exploited by asset allocation decisions, by individual investment decisions, and through purposeful stewardship
- Climate change has the potential to impact the funding level of the pension fund through impacts on employer covenant, asset pricing, and longer-term inflation, interest rates and life expectancy
- We believe that a transition to a low carbon economy is essential and that carefully designed and targeted government and company policies can ensure a just transition for workers and communities, with substantial economic and social benefits. In addition, public finance will be important as a cross cutting mechanism to invest in human capital and inclusive growth
- The Fund will collaborate with other investors to campaign for positive changes to policy both nationally and at a company level to bring about change aligned to the Paris accord of 1.5 to 2.0 degrees scenarios
- The Fund will adopt a focused climate change policy which will be monitored and measured to ensure that the Fund is delivering against policy targets set within its climate change policy

INVESTMENT STRATEGY STATEMENT 2020

- The Fund accepts that there are both risks, and opportunities involved in climate change and will take these into account when setting investment strategy but also when considering individual investments
- In order to assess progress for the Fund towards a lower carbon economy it is essential for the Fund to measure its climate risk exposure at regular intervals

INVESTMENT STRATEGY STATEMENT 2020

APPENDIX D: WMPF SEPARATE FUND WMTL STRATEGIC INVESTMENT ALLOCATION BENCHMARK AND RANGES

WMTL Medium-Term Asset Allocation March 2020		
	Target %	Range %
Return seeking (equities)	16.0	14-18
Alternative credit	48.0	42-54
Stabilising gilts & bonds (including LDI)	36.0	32-40
Total	100.0	

The above excludes the value of the buy-in policy held to support meet a portion of the pensioner liabilities, which accounted for 46.2% of the total assets of the separate fund when last valued at 31 March 2019.

WMTL Target Hedge Ratios		
	Target %	Range %
Interest rates		70%
Inflation		40%
Total		100.0

INVESTMENT STRATEGY STATEMENT 2020

APPENDIX E: WMPF SEPARATE FUND PBL STRATEGIC INVESTMENT
ALLOCATION BENCHMARK AND RANGES

PBL Medium-Term Asset Allocation March 2020		
	Target %	Range %
Return seeking (equities)	15.0	10-20
Alternative credit	26.0	20-35
Stabilising gilts & bonds (including LDI)	58.5	50-70
Cash	0.5	0-2
Total	100.0	



ADMINISTERING AUTHORITY POLICY STATEMENT 2020

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

Under the LGPS Regulations, the Fund is required to formally publish its policy on “discretions”. Discretions is taken to include where the administering authority is required to carry out a task, but an element of choice is seen to exist as to how the task is completed. Unless stated otherwise the references to regulations are set out below with the following prefixes used throughout the draft.

- The Local Government Pension Scheme Regulations 2013 [prefix R]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 [prefix TP]
- The Local Government Pension Scheme (Administration) Regulations 2008 [prefix A]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 as amended) [prefix B]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008 [prefix T]
- The Local Government Pension Scheme Regulations 1997 (as amended) [prefix L]

This document was reviewed and approved by Pension Committee in March 2020, effective date from April 2020. The next date for review is March 2021.

ADMISSION OF ADMISSION BODIES [REGULATION R4, R3(5) RSch2]

The administering authority may make an admission agreement with any admission body. The administering authority can also make admission agreements with a Care Trust, NHS Scheme employing authority or Care Quality Commission. An admission agreement may take effect on a date before the date on which it is executed.

The Council will usually agree to an admission agreement with an admission body that is regarded as having a community of interest, provided it is satisfied about the long-term financial security of the body or it has a public sector guarantee. The administering authority will enter into an admission agreement with other admission bodies provided that any requirements it has set down are met. The Council may agree that the admission agreement may take effect on a date before the date on which it is executed.

RIGHT TO TERMINATE ADMISSION AGREEMENT [RSch2]

The administering authority has the right to terminate an admission agreement in prescribed circumstances. The Council shall retain the right to terminate an admission agreement in the event of:

- a) The insolvency, winding up or liquidation of the admission body,
- b) A material breach by the admission body of any of its obligations under the admission agreement or these Regulations which has not been remedied within a reasonable time, or
- c) A failure by the admission agreement to pay any sums due to the fund within a reasonable period after receipt of a notice from the administering authority requiring it to do so.

EXIT PAYMENT [R64]

The administering authority may suspend (by way of issuing a suspension notice) for up to three years, an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.

Where an intention to allow new members to join the scheme is identified, the Council may allow the employer up to six months to admit such members.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

ADDITIONAL PENSION CONTRIBUTIONS [R16]

The administering authority may turn down a request to pay an additional pension contribution (APC) or shared-cost additional pension contribution (SCAPC) over a period of time where it would be impractical to allow such a request. The member would still be able to pay via a single lump-sum payment.

Due to the administration costs involved requests to pay additional pension contributions or shared-cost additional pension contributions over a period of time in order to address an absence from work of less than ten working days will be refused unless there are exceptional circumstances.

MEDICAL EXAMINATION REQUIRED FOR PURCHASE OF APC/SCAPC [R16]

The administering authority may require the member to undergo a medical at their own expense and may refuse an application if the authority is not satisfied that the member is in reasonably good health.

The Council will require that a member provides satisfactory medical evidence to ensure they can be reasonably expected to complete the contract undertaken and will not retire due to a pre-existing medical condition on health grounds. No medical shall be required if the member is paying for the additional pension by means of a lump-sum payment.

PAYMENT OF ADDITIONAL VOLUNTARY CONTRIBUTIONS ON THE DEATH OF A MEMBER [R17]

The administering authority shall decide to whom to pay any AVC monies, including life assurance monies are to be paid to on death of a member.

The Council will decide based on the individual circumstances of the case, who should receive payment of the monies having regard to that it should be paid to or for the benefit of the member's nominee, personal representative or any person appearing to the authority to have been a relative or dependent of the member.

PROVISION OF ESTIMATES IN RELATION TO TRANSFERS OF AVCS/FAVCS [TP15 AND A28]

The administering authority may charge a member for providing an estimate of additional pension that would result from a transfer of in house AVC/SCAVC contributions.

Members may request a quote free of charge. In the exceptional case an additional request is made, the Council reserve the right to charge.

PENSION ACCOUNTS [R22]

A pension account may be kept in any form that the administering authority considers appropriate.

The Council will decide the form in which pension accounts are kept based upon any published information or best practice and in an efficient manner.

CONCURRENT EMPLOYMENT AND THE ABSENCE OF AN ELECTION FORM [TP10]

The administering authority shall decide in the absence of an election form from the member within 12 months of ceasing a concurrent employment, and where there is more than one ongoing employment which ongoing employment the benefits from the concurrent employment should be aggregated with.

The one with the longest likely lifespan or the ongoing employment that is most similar to the one that has ceased will be selected.

RETIREMENT BENEFITS [R30]

The administering authority, in cases where the current employer or the former employer has ceased to be a scheme employer, may consent to waive, in whole or in part the actuarial reduction where the member voluntarily draws their pension before normal pension age.

The administering authority may also in cases where the current employer or the former employer has ceased to be a scheme employer may consent to waive, in whole or in part the actuarial reduction on benefits paid on flexible retirement. Where a request is received, it will be considered on an individual basis and on its own merit. However, where there is a cost as this cost will have to be spread across all employers the cost has to be justified.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

STRAIN ON THE FUND [R68]

The administering authority may require an employer who allows a member to retire by reason of flexible retirement, redundancy or business efficiency to pay the additional charge on the fund. This also includes the cost where the employer has chosen to waive any reduction on flexible retirement or where the member voluntarily draws benefits before normal retirement age.

The Council will require an employer to make the appropriate payment to meet the additional charge where the member has retired early through flexible retirement, redundancy, business efficiency or where the employer has exercised their discretion to waive any reduction as a result of flexible retirement or voluntary retirement.

SWITCHING ON THE RULE OF 85 [TP Sch 2]

In cases where the current employer or former employer has ceased to exist, the administering authority may consent to switch on the 85-year rule where the member is voluntarily drawing benefits on or after age 55 and before age 60.

Where a request is received it will be considered on an individual basis and on its own merit. However, where there is a cost, as this cost will have to be spread across all employers the cost has to be justified.

WAIVING THE REDUCTION [TP Sch 2 & B30]

In cases where the current employer or former employer has ceased to exist, the administering authority may consent to waive any actuarial reduction on the benefits on pre- and/or post-April 2014 benefits.

Where a request is received, it will be considered on an individual basis and on its own merit. However, where there is a cost as this cost will have to be spread across all employers the cost has to be justified.

STRAIN ON THE FUND [TP SCH 2]

The administering authority may require an employer to pay any additional costs as a result of the employer waiving the reduction in cases where the employer has consented to the early payment of on benefits before age 60 under Benefit Regulation 30.

The Council will normally require the employer to make the additional payment to meet any additional cost.

EXTENSION OF THE TIME LIMIT TO DRAW BENEFITS [R32]

The administering authority shall decide whether to extend the time limits in which a member must give notice of their wish to draw their benefits before normal retirement age or upon flexible retirement.

Where a request is received asking for the time limit to be extended, the individual circumstances will be considered on whether it is appropriate to extend the time limit.

COMMUTATION OF SMALL PENSIONS [R34, B39, T14, R39]

The administering authority may commute a small pension into a single lump sum.

The administering authority will commute small pensions when a member has made a request.

INDEPENDENT REGISTERED MEDICAL PRACTITIONER – APPROVAL [R36 & A56]

The administering authority shall approve the choice of the medical practitioner used by the employer for ill-health retirement.

A medical practitioner who is registered with the General Medical Council and who has the appropriate qualifications specified in the regulations will be approved.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

CERTIFICATE PRODUCED BY AN IRMP UNDER THE 2008 SCHEME [TP12]

In cases where the employer or the former employer has ceased to exist to be a scheme employer, the administering authority can use a certificate produced by an IRMP under the 2008 scheme to make a determination under the 2014 scheme.

The certificate will be allowed except in circumstances of a particular case the certificate is not compliant with the requirements of the 2014 scheme.

EARLY PAYMENT ON ILL-HEALTH GROUNDS - DEFERRED MEMBER [R38]

In cases where the employer or the former employer has ceased to exist to be a scheme employer, the administering authority shall decide whether the deferred member meets the criteria of being permanently incapable of carrying out their former job and are unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years whichever is sooner.

Where a request is received each case will be considered individually and a decision will be made based on the medical evidence and opinion provided by the independent registered medical practitioner.

EARLY PAYMENT ON ILL HEALTH GROUNDS – DEFERRED PENSIONER MEMBER [R38]

In cases where the employer or the former employer has ceased to be a scheme employer, the administering authority can decide whether a deferred pensioner is unlikely to be capable of undertaking gainful employment before normal pension age because of ill health.

Where a request is received each case will be considered individually and a decision will be made based on the medical evidence and opinion provided by the independent registered medical practitioner.

PAYMENT OF THE DEATH GRANT [R40, R43, R46, TP17 & B23, B32, B35, TSCH & LI55]

The administering authority has absolute discretion in determining the recipients of any death grant payable from the scheme.

Normally the death grant will be paid to the nominated beneficiary or the death grant could be paid to the estate of the deceased. Where either or both of these options are seen to be inappropriate or impossible, the Council shall exercise its absolute discretion in as to who should receive the death grant.

NO DOUBLE ENTITLEMENT - BENEFITS DUE UNDER TWO OR MORE REGULATIONS [R49 & B42]

The administering authority may decide in the absence of an election form from a member, which benefit is to be paid where the member would be entitled to a benefit under two or more regulations for the same period of scheme membership.

The member would be notified of the payment of the benefit that would provide the highest level of payment.

ADMISSION AGREEMENT FUNDS [R54]

The administering authority may establish an admission agreement fund.

The Council has chosen not to set up an admission agreement fund.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

GOVERNANCE COMPLIANCE STATEMENT [R55]

The administering authority must prepare a governance policy stating whether the administering authority delegates its functions or part of its functions in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the administering authority, and if they do so delegate, state:

- the terms, structure and operational procedures of the delegation;
- the frequency of any committee or sub-committee meetings; and
- whether representatives of employing authorities or members are included and if so whether they have voting rights.

The policy must also state:

- the extent to which a delegation, or the absence of a delegation, complies with Secretary of State guidance and to the extent it does not so comply, state the reasons for not complying; and
- the terms, structure and operational procedures appertaining to the Local Pensions Board.

The Governance Compliance Statement will be prepared, maintained and published. A copy will be made available on our website www.wmpfonline.com

FUNDING STRATEGY STATEMENT [R58]

The administering authority must after appropriate consultation prepare maintain and publish a statement setting out its funding strategy. The statement has to be published no later than 31 March 2015.

The Funding Strategy Statement is prepared, maintained and published annually. A copy is available on our website www.wmpfonline.com

PENSION ADMINISTRATION STRATEGY [R59]

The administering authority may prepare and publish a pension administration policy and the matters it should include.

The administering authority will publish a Pension Administration Strategy after consultation and it will be kept under review. A copy is available on our website www.wmpfonline.com

COMMUNICATIONS POLICY [R61]

The administering authority must prepare and publish its communication policy. It must set out its policy concerning communication with members, representatives of members, prospective members and scheme employers, as well as the format, frequency and method of communications, and the promotion of the scheme to prospective members and their employers.

The administering authority publishes and maintains a communications policy, a copy of which will be made available on our website www.wmpfonline.com

REVISION OF EMPLOYER'S CONTRIBUTION RATE [R64]

The administering authority may obtain from the actuary, a certificate revising the employer contribution rate, if there are circumstances which make it likely a scheme employer will become an exiting employer.

A revised additional rate and adjustments certificates regarding employer contributions will be obtained where it appears to be appropriate.

AGGREGATE SCHEME COSTS – REVISED CERTIFICATES [R65]

The administering authority may obtain a new rates and adjustments certificate if the Secretary of State amends the regulations as part of the "cost sharing" arrangements.

A new rates and adjustments certificate will be obtained where it appears to be appropriate.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

EMPLOYER CONTRIBUTIONS – DATES FOR PAYMENT [R69]

The administering authority shall decide on the dates which contributions are to be paid over to the Fund.

All contributions (apart from additional voluntary contributions) should be credited to the Fund without delay by the 19th of the month following the month in which they fall due.

INFORMATION PROVIDED BY EMPLOYERS ABOUT CONTRIBUTIONS – FREQUENCY AND FORMAT [R69, TP23, 22 & R80]

The administering authority shall decide on the form and frequency of the information to accompany payments to the Fund.

The administering authority will provide to employers the specified formats that employers are to use for the submission of their data, which is to be provided monthly, in line with the payment of contributions. A notification will be issued each year to inform employers of the deadline to submit this data along with any format changes that will be required. The Fund requires this data to be submitted to them no later than 30 April.

NOTICE TO RECOVER COSTS DUE TO EMPLOYER'S PERFORMANCE [R70]

The administering authority will decide to issue the employer with a notice to recover additional costs incurred as a result of the employer's level of performance.

As detailed in the Pension Administration Strategy, the Council will review from time to time whether to issue an employer with notice to recover additional costs incurred as a result of the employer's level of performance.

EMPLOYER PAYMENTS – INTEREST ON OVERDUE PAYMENTS [R71]

The administering authority may charge interest on payments by employers which are overdue.

The Council reserves the regulatory prescribed right to require interest to be paid when payments are overdue by more than one month. Interest must be calculated at one per cent above base rate on a day to day basis from the due date to the date of payment and compounded with three monthly rests.

PROCEDURE TO BE FOLLOWED WHEN EXERCISING STAGE 2 DISPUTE FUNCTIONS AND THE MANNER IN WHICH THOSE FUNCTIONS ARE TO BE EXERCISED. [R76, A60, TP23 & R76]

The administering authority will decide how it will exercise its stage two dispute procedure and the procedure to be followed.

The review would be undertaken by a person not involved in the first stage decision and by a person appointed to deal with disputes referred to it under stage 2. The Council will ensure suitable procedures are in place.

APPEAL TO THE SECRETARY OF STATE AGAINST EMPLOYER DECISION [R79 & A63]

The administering authority may appeal to the Secretary of State against an employer decision or lack of an employer decision.

The Council will appeal to the Secretary of State if it believes an employer has made (or failed to make) a decision that is both wrong in law and material and where we have been unable to persuade the employer to alter its actions or inactions.

EXCHANGE OF INFORMATION [R80, TP22, 23]

The administering authority shall specify the information to be supplied by employers to enable the administering authority to discharge its function.

The Council will specify the information that is to be supplied by employers having regard to the regulatory requirements and best practice.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

MAKING PAYMENTS IN RESPECT OF DECEASED PERSON WITHOUT PROBATE/LETTERS OF ADMINISTRATION [R82 & A52]

The administering authority may pay the whole or part of the amount due from the Fund to the personal representatives or any person appearing to be beneficially entitled to the estate without the production of probate or letters of administration where the amounts due are less the amount specified in section 6 of the Administration of Estates (Small Payments) Act 1965.

Payment will normally be made without the production of probate or letters of administration where the amount is below the specified amount.

PAYMENTS FOR PERSONS INCAPABLE OF MANAGING THEIR AFFAIRS [R83, A52 & B27]

The administering authority may decide where a person (other than an eligible child) appears incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person to be applied for the benefit of the member.

Where in the Council's opinion a member is unable to manage their own affairs, then having considered the individual circumstances of the particular case they may decide to pay some or all of the benefits to someone else to be applied for the benefit of the member.

DATE TO WHICH BENEFITS SHOWN ON ANNUAL BENEFIT STATEMENT ARE CALCULATED [R89]

The administering authority will decide the date to which benefits shown on the annual benefit statement are calculated.

The date will be selected in line with regulatory requirement and best practice.

BULK TRANSFER (TRANSFER OF UNDERTAKINGS) [R98]

The administering authority must agree any bulk transfer payment.

The terms of the bulk transfer will be discussed with the Fund's actuary, and once all parties are in agreement payment will be made.

TRANSFERS INTO THE FUND AND EXTENSION OF 12-MONTH TIME LIMIT [R100]

The administering authority may accept a transfer value of pension rights into the Fund and may also extend the time limit of 12 months from the date the member first became an active member in their current employment.

The Council will accept a transfer value where a request is made. The Council will only agree to extend the time limit where the appropriate employer has agreed to extend the time limit.

FINAL PAY REDUCTIONS [TP3, 4, 8, 10, 17 & B10]

The administering authority will decide whether to use an average of three years pay for final pay purposes where the member has died before making an election.

The pay figure which provides the highest overall level of benefits will be selected.

PERMANENT REDUCTIONS IN PAY - CERTIFICATES OF PROTECTION [TP3, 4, 8, 10, 17, TSch1 & L23]

The administering authority will decide for a member who has a certificate of protection who has died before making an election which pay figure should be used for final pay purposes.

The pay figure which provides the highest overall level of benefits will be selected.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

ELIGIBLE CHILD – IGNORING BREAKS IN EDUCATION OR TRAINING [RSch1 & TP17]

The administering authority may treat a child as being in continuous educational or vocational training despite a break.

The Council will accept short breaks and also gap years as being breaks in education and will restart a suspended child's pension at the end of such a break or gap.

FINANCIAL DEPENDENCE /INTERDEPENDENCE OF COHABITING PARTNER [RSch1 & TP17]

The administering authority will decide upon the evidence required to determine the financial dependence or financial interdependence of the cohabiting partner and the scheme member.

The Council will provide details of the evidence required taking account of any guidance provided.

ABATEMENT OF PRE-1 APRIL 2014 PENSION [TP & A70]

The administering authority shall decide whether and how to abate the pre-1 April 2014 pension element following re-employment of a scheme pensioner by a local government employer.

In the event of a scheme pensioner obtaining further employment with a scheme employer the pension will not be abated. The Fund resolved from 1 September 2006 not to abate pension on re-employment.

EXTENSION OF TIME PERIOD FOR CAPITALISATION OF ADDED YEARS CONTRACT [TP15, TSch1 & L83(5)]

The administering authority may extend the time allowed to a member who has an added years contract and who is made redundant to decide whether to pay a capital payment.

The Council will apply the prescribed three month time limit, unless there are individual circumstances which need to be considered in deciding whether to grant an extension of the time limit.

RECOVERY OF UNPAID EMPLOYEE CONTRIBUTIONS AS DEBT/FROM BENEFITS [A45]

The administering authority may recover any outstanding employee contributions as a debt or as a deduction from the benefits.

The Council will, where practical deduct any unpaid employee contributions from the benefits relating to the membership to which the unpaid contributions relate.

CONSENT FOR EARLY PAYMENT AND WAIVING OF REDUCTION [B30 & TPSCH]

Where the former employer has ceased to be a scheme employer, the administering authority may consent to waive the reduction for the payment of deferred benefits on compassionate grounds.

Where a request is received it will be considered individually and on its own merit. However, where there is a cost as this cost will have to be spread across all employers the cost has to be justifiable.

'SWITCH ON' THE 85-YEAR RULE FOR A PENSIONER MEMBER WITH DEFERRED BENEFITS

Where the former employer has ceased to be a scheme employer, the administering authority may consent to 'switch on' the 85-year rule for a pensioner member with deferred benefits voluntarily drawing benefits.

The Council would not normally 'switch on' the 85-year rule.

ADMINISTERING AUTHORITY POLICY STATEMENT 2020

APPLICATION FOR EARLY PAYMENT OF A SUSPENDED TIER 3 ILL HEALTH PENSION AND WAIVING REDUCTION [B30]

The administering authority may consent to the request for the early payment of pension for a member, who left with a tier 3 ill-health pension that is suspended and who now is aged between 55 and 60 where the former employer has ceased to be a scheme employer. The administering authority may also waive any reduction.

Where a request is received, it will be considered individually and on its own merit. However, where there is a cost, as this cost will have to be spread across all employers the cost has to be justifiable.

REQUEST FOR EARLY PAYMENT OF DEFERRED BENEFITS ON ILL-HEALTH GROUNDS [B31]

The administering authority may decide to agree to a request from a deferred member for early payment of benefits on ill-health grounds where the former employer has ceased to exist.

The Council will obtain an opinion from an IRMP as to whether as the member meets the criteria of permanent ill health and reduced likelihood of gainful employment.

SPOUSES' PENSIONS ARISING UNDER THE 1995 REGULATIONS PAYABLE FOR LIFE

The administering authority shall decide to pay spouse's pensions for life for pre-1 April 1998 retirees/pre-1 April 1998 deferreds who die on or after 1 April 1998, rather than ceasing the pension during any period of marriage or cohabitation.

The Council has deemed that any spouses' pension that comes into payment is payable for life. This does not apply to spouses' pensions that ceased prior to 1 April 1998.



FURTHER INFORMATION

189 Participating Employers in the Fund

PARTICIPATING EMPLOYERS IN THE FUND

Scheduled Bodies

Local Authorities

Birmingham City Council
City of Wolverhampton Council
Coventry City Council
Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Solihull Metropolitan Borough Council
Walsall Metropolitan Borough Council

Major Employers

The Chief Constable For West Midlands Police
West Midlands Combined Authority
West Midlands Fire and Civil Defence Authority

Universities

Birmingham City University
Coventry University
University of Wolverhampton
University College Birmingham

Colleges of Further Education and Higher Education

With Active Members

Birmingham Metropolitan College
South and City College Birmingham
Hereward College
Dudley College of Technology
Halesowen College
King Edward VI College
Sandwell College
Solihull College
Walsall College
Joseph Chamberlain College
City of Wolverhampton College
Coventry College

Other Bodies

With Active Members

Chelmsley Wood Town Council
Fordbridge Parish Council
West Midlands Travel Ltd
Coventry & Solihull Waste Disposal Company Ltd
Smiths Wood Parish Council
Meriden Parish Council
Castle Bromwich Parish Council
Walsall Academy -Thomas Telford Mat
Solihull Community Housing
Grace Academy - Tove Learning Trust

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Wolverhampton Homes
Kingshurst Parish Council
Sandwell Academy-Thomas Telford Mat
Shireland Collegiate Academy Trust
Q3 Academy
CTC Kingshurst Academy - Tudor Grange Academies Trust
RSA Academy
Ormiston Shelfield Community Academy
Ormiston Sandwell Community Academy
Park Hall Academy- Arden Multi-Academy Trust
E-ACT Heartlands Academy
E-ACT Shenley Academy
ARK St Albans Academy
Sidney Stringer Academy Trust
King Edward VI Sheldon Heath Academy- KEVI AT Birmingham
E-ACT North Birmingham Academy
Harborne Academy
Arden Academy- Arden Multi-Academy Trust
Park Hall Infant Academy
St Patricks Church of England Primary Academy
Tudor Grange Academy Solihull Trust - Tudor Grange Academies Trust
John Henry Newman Catholic College
Windsor High School and Sixth Form
Wood Green Academy Trust
Ninestiles An Academy - Summit Learning Trust
Lordswood Girls School & Sixth Form Centre
Ryders Hayes Academy Trust
Kings Norton Girls School & Language College
Shire Oak Academy - The Mercian Trust
Bartley Green School
Blue Coat Church of England School and Music College
Queen Marys High School - The Mercian Trust
Queen Marys Grammar School - The Mercian Trust
Sutton Coldfield Grammar School for Girls Academy Trust
Whitley Academy
Aston Manor Academy
Heart of England School
Light Hall School
Pegasus Academy - Dudley Academies Trust
Barr Beacon School- Matrix Academy Trust
Rookery School
Finham Park School Academy
Langley School
Alderbrook School
Lode Heath School
The Westwood Academy - Kenilworth Multi-Academy Trust
Holyhead School
Fairfax School (Academy)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

The West Coventry Coventry
Deanery Church of England School
Plantsbrook School - Plantsbrook Learning Trust
Oldbury Academy
Hillcrest School & Sixth Form Centre
Ormiston George Salter Academy
King Edward VI Camp Hill School for Boys- KEVI AT Birmingham
King Edward VI Camp Hill School for Girls- KEVI AT Birmingham
King Edward VI Handsworth School- KEVI AT Birmingham
King Edward VI Five Ways School- KEVI AT Birmingham
King Edward VI Aston School- KEVI AT Birmingham
Beacon Hill Academy - Dudley Academies Trust
Arthur Terry Learning Partnership
The Kingswinford School Academy - Windsor Academy Trust
Nishkam School Trust
Heath Park Academy - Central Learning Partnership Trust
The Streetly Academy
Ormiston Forge Academy
Earls High School (The) - Stour Vale Academy Trust
Park Hall Junior Academy
Joseph Leckie Academy
E-ACT Willenhall Academy
Hall Green Secondary School - An Academy
Rockwood Academy- The Core Education Trust
Birmingham Museums Limited
Bishop Vesey's Grammar School
Mesty Croft Academy
Wilson Stuart School - Education Impact Academy Trust
Hockley Heath Academy
Warren Farm Primary School
Aldridge School - The Mercian Trust
Moseley Park Academy- Central Learning Partnership Trust
St Johns C of E Primary School
Coundon Court Academy
Barr View Primary & Nursery Academy
Timberley Academy Trust
Victoria Park Primary Academy - Victoria Academies Trust
Erdington Hall Primary Academy- Summit Learning Trust
Balsall Common Primary Academy - Central Schools Trust
Woodlands Academy of Learning
Aston University Engineering Academy Birmingham
St Michael's CofE Primary Academy Handsworth - Birmingham Diocesan Multi Academy Trust
St Mary's C of E Primary Academy and Nursery
Green Meadow Primary School - Excelsior MAT
ARK Tindal Primary Academy
George Dixon Academy
Nansen Primary School - The Core Education Trust
Handsworth Wood Girls Academy - KEVI AT Birmingham

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Dorrington Academy Trust
ARK Kings Academy
St Peters Church of England Academy Trust
Jubilee Academy Mossley - Academy Transformation Trust
Nechells Primary E-ACT Academy
Ormiston Academies Trust
EBN Free School
Croft Primary Academy - The Elliot Foundation Academies Trust
Lordswood Boys School - Central Academies Trust
Chilwell Croft Academy - Equitas Academies Trust
Goldsmith Primary Academy - Windsor Academy Trust
Kings Rise Academy - The Elliot Foundation Academies Trust
Alston Primary School- Leigh Trust
Greenholm Primary School
Blue Coat Church of England (Walsall) Trust
Caludon Castle Academy
Percy Shurmer Primary School
Woden Primary - Central Learning Partnership Trust
West Walsall E-ACT Academy
Birmingham Ormiston Academy
St Clements CofE Academy Nechells - Birmingham Diocesan Multi Academy Trust
Oasis Community Learning - Blakenhale Junior
Oasis Community Learning - Woodview School
Oasis Community Learning - Blakenhale Infants
Lea Forest Primary Academy- Academies Enterprise Trust
Four Dwellings Primary Academy- Academies Enterprise Trust
Tame Valley Academy - University of Wolverhampton MAT
Shirestone Community Academy - The Elliot Foundation Academies Trust
Oasis Community Learning - Short Heath Primary
Aldersley High School - Amethyst Academies Trust
Yardleys School
Woods Bank Academy - The Elliot Foundation Academies Trust
Billesley Primary Academy - The Elliot Foundation Academies Trust
Merritts Brook E-ACT Primary Academy
St Michael's CE Primary School - Birmingham Diocesan Multi Academy Trust
Reedwood E-ACT Primary Academy
James Brindley School
Oaklands Primary - Summit Learning Trust
Greenwood Academy - Academies Enterprise Trust
Tudor Grange Primary Academy St James - Tudor Grange Academies Trust
Mansfield Green E-ACT Primary Academy
Parkfield Community School - Excelsior MAT
City Road Academy - Inspire Educational Trust
Bramford Primary - Griffin Academy Trust
Bristnall Hall - The Academy Transformation Trust
Redhill School - Stour Vale Academy Trust
Edgar Stammers Academy - University of Wolverhampton MAT
Knowle CE Primary Academy

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

St Joseph's - John Paul II Multi-Academy
St Nicholas's - John Paul II Multi-Academy
Holy Cross - John Paul II Multi-Academy
Bishop Walsh - John Paul II Multi-Academy
Q3 Tipton - Quaerere Academies Trust
St John's and St Peter's C of E Academy- All Saints Multi Academy Trust
St Georges CofE Primary School - Birmingham Diocesan Multi Academy Trust
Acocks Green Primary School
Washwood Heath Academy- Washwood Heath MAT
Perry Hall Primary School - Perry Hall MAT
Oasis Community Learning - Matthew Boulton
Four Dwellings Academy- Academies Enterprise Trust
Oasis Community Learning - Hobmoor Primary
Timbertree Primary - United Learning Trust
George Betts Academy - The Elliot Foundation Academies Trust
Hamstead Hall Academy Trust
Corgreaves Primary - United Learning Trust
Shireland Hall Academy - The Elliot Foundation Academies Trust
Stretton Primary Academy - Diocese of Coventry MAT
St Laurence's Primary Academy - Diocese of Coventry MAT
Yarnfield Academy - Summit Learning Trust
President Kennedy School- The Futures Trust
Hawkesley Church Primary Academy - Birmingham Diocesan Multi Academy Trust
Birchills Academy - St Chads Academies Trust
Montgomery Primary Academy - Academies Enterprise Trust
Fairway Primary Academy - University of Wolverhampton MAT
Cheswick Green Parish Council
Jubilee Park Academy
Ocker Hill Junior Academy- Ocker Hill Academy Trust
Three Spires Academy - RNIB Specialist Learning Trust
Silvertrees Academy Trust
Pegasus Academy - Summit Learning Trust
St Edmund's Academy -St Francis and St Clare Catholic MAC
SS Mary & Johns Catholic Primary Academy - St Francis and St Clare Catholic MAC
St Teresa's Academy - St Francis and St Clare Catholic MAC
Holy Trinity C of E Primary Academy - Birmingham Diocesan Multi- Academy Trust
SS Peter and Paul Catholic Primary Academy and Nursery - St Francis and St Clare Catholic MAC
St Michaels Catholic Primary Academy and Nursery- St Francis and St Clare Catholic MAC
Tiverton Academy - The Elliot Foundation Academies Trust
St Joseph's Academy - St John Bosco Catholic Academy Trust
Bishop Milner Academy - St John Bosco Catholic Academy Trust
St Chads Academy - St John Bosco Catholic Academy Trust
Bentley Heath Church of England Primary School
Reaside Academy- University of Wolverhampton MAT
St Georges Academy Newtown - Birmingham Diocesan Multi Academy Trust
St Bartholomew's C of E Primary Academy- Diocese of Coventry MAT
Coventry University Enterprises Limited
Hill Farm Academy - Castle Phoenix Trust

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

The Orchards Primary Academy - University of Wolverhampton MAT
Wednesbury Oak Primary Academy
Robin Hood Primary Academy
Woodhouse Primary Academy - University of Wolverhampton MAT
Broadway Academy
Radford Primary Academy - Sidney Stringer Academy Trust
Ernesford Grange Community Academy- Sidney Stringer Academy Trust
Chivenor Primary School - Griffin Schools Trust
Rivers Primary Academy - Windsor Academy Trust
Walsall Studio School- The Mercian Trust
Waverley Studio College - The Waverley Education Foundation Ltd
Twickenham Primary Academy
Grestone Primary Academy- Hamstead Hall Academy Trust
St Paul's C of E Primary Academy
Leigh Primary School
University of Wolverhampton MAT
Wodensborough Ormiston Academy
Ridgewood High School - Stour Vale Academies Trust
Wolverhampton Girls High School
St Judes Academy - St Chad's Academies Trust
Oasis Community Learning - Foundry Primary
Riverbank Academy - Sidney Stringer Academy Trust
Berrybrook Academy - Perry Hall MAT
Reach Free School
WMG Academy for Young Engineers
Cottesbrooke Infant & Nursery School
Smestow school - University of Wolverhampton MAT
Northwood Park Primary School - SHINE Academies
Marston Green Infant Academy
Smith's Wood Primary Academy
Police & Crime Commissioner for West Midlands
Northern House School Academy Trust
St Johns C of E Primary Academy - Diocese Coventry MAT
Heathlands Academy- University of Wolverhampton MAT
Wednesfield High Specialist Engineering Academy - University of Wolverhampton MAT
Albert Bradbeer Primary School - University of Wolverhampton MAT
Sacred Heart Primary - Romero MAC
St Gregory's School Coventry - Romero MAC
Good Shepherd Primary School - Romero MAC
SS Peter and Paul Catholic Primary School - Romero MAC
St John Fisher Primary School - Romero MAC
St Patrick's Catholic Primary School - Romero MAC
Cardinal Wiseman Catholic School - Romero MAC
Corpus Christi Catholic Primary School - Romero MAC
All Saints National Academy- St Chad's Academy Trust
Bournville School and Sixth Form Centre- Fairfax MAT
St Gregory's Academy - St Catherine of Siena MAC
Our Lady & St Hubert's Catholic Primary Academy - St Catherine of Siena MAC

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

St Francis Xavier Catholic Primary Academy - St Catherine of Siena MAC
St Philip's Catholic Primary Academy - St Catherine of Siena MAC
The University of Birmingham School
Devonshire Infant Academy - Victoria Academies Trust
Seva Free School - Sevak Educational Trust
Devonshire Junior Academy - Victoria Academies Trust
Town Junior School - Plantsbrook Academy Trust
St Brigid's Catholic Primary School- Lumen Christi Catholic MAC
St Columba's Catholic Primary School- Lumen Christi Catholic MAC
St Joseph's Catholic Primary School - St Nicholas Owen Catholic MAC
Our Lady of Fatima Catholic Primary School - St Nicholas Owen Catholic MAC
St Mary's Catholic Primary School - St Nicholas Owen Catholic MAC
Calthorpe Academy – Thrive Education Partnership.
Crestwood School- Invictus Education Trust
Hillstone Junior and Infants Academy
Ellowes Hall Sports Academy- Invictus Education Trust
Wyndcliffe Primary School (Leigh Trust)
Brownmead Academy- Washwood Heath MAT
Manor Primary School- Manor Multi Academy Trust
St Johns C of E Primary Academy - St Chads Academy Trust
St Martin's C of E Primary School- St. Martin's Multi Academy Trust
St Paul's Catholic Primary School- Lumen Christi Catholic MAC
St James Catholic Primary School- Lumen Christi Catholic MAC
St Joseph's Catholic Primary School- Lumen Christi Catholic MAC
ST Thomas Aquinas Catholic School- Lumen Christi Catholic MAC
Field View Primary School- St Martin's Multi Academy Trust
Futurelets Ltd
Jervoise School- DRB Ignite MAT
Wychall Primary School- DRB Ignite MAT
Holy Rosary Catholic Primary- St Francis and St Clare Catholic MAC
St Marys catholic Primary St Francis and St Clare Catholic MAC
Our Lady and St Chads Catholic Academy- St Francis and St Clare Catholic MAC
Corpus Christi Catholic Primary- St Francis and St Clare Catholic MAC
St Thomas Ce Academy- All Saints Multi Academy Trust
Saltley Academy- Washwood Heath MAT
Barr's Hill School- The Futures Trust
Walsgrave C of E Academy- Inspire Education Trust
Clifford Bridge Academy- Inspire Education Trust
Whittle Academy- Inspire Education Trust
Lyndon Academy- Summit Learning Trust
Waverley School- The Waverley Education Foundation Ltd
Academy Transformation Trust
Heathfield Primary School- Prince Albert Community Trust
Bloxwich Academy - Matrix Academies Trust
Moor Green Primary Academy - REach2 MAT
Prince Albert Primary School- Prince Albert Community Trust
Beechwood C of E Primary School - DRB Ignite MAT
The British Sikh School- The Khalsa Academies Trust

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Northfield Manor Primary Academy - Victoria Academies Trust
Ark Boulton Academy
The Edge Academy
The Bromley-Pensnett Primary School- Drb Ignite MAT
Manor Way Primary Academy- Windsor Academy Trust
Dickens Heath Parish Council
West Midlands Construction UTC
Elston Hall Primary School- Elston Hall Multi-Academy Trust
Sidney Stringer Free Primary School - Sidney Stringer Academy Trust
Health Futures UTC
Bickenhill & Marston Green Parish Council
The King Solomon International Business School
Westcroft Sport and Vocational College- Central Learning Partnership Trust
The Romero Catholic Academy
Inspire Education Trust
Highfields School
Finham Primary School- Finham Park MAT
Manor Park Primary Academy- REAch2 Academy Trust
Northern House School (City of Wolverhampton)
Pool Hayes Academy- Academy Transformation Trust
Nonsuch Primary School- Birmingham Diocesan Multi Academy Trust
Grove Primary School- St Martin's Multi Academy Trust
Highfield Junior and Infant School- Prince Albert Community Trust
Dunstall Hill Primary School- Perry Hall MAT
Aston Tower Community Primary School- Aston Tower Multi-Academy Trust
Wolverhampton Vocational Training Centre- Central Learning Partnership Trust
Lodge Farm Primary School - SHINE Academies
Palmers Cross Primary Academy- Elston Hall Multi-Academy Trust
Finham Park 2- Finham Multi-Academy Trust
Royal Sutton Coldfield Town Council
Yew Tree Community Junior and Infant School - Inspire Education Community Trust
North Walsall Primary Academy- Academy Transformation Trust
Lyng Hall School- Finham Park MAT
Fibbersley Park Academy- Victoria Academies Trust
Hob Green Primary School - DRB Ignite MAT
Damson Wood Infant academy - Central Schools Trust
Streetsbrook Infant and Early Years Academy- Streetsbrook Academy Trust
Princethorpe Infant School- DRB Ignite MAT
The Oval School- DRB Ignite MAT
Audley Primary School-DRB Ignite MAT
Gossey Lane Academy- Washwood Heath MAT
Leasowes High School - Invictus Education Trust
Erdington Academy- Fairfax Multi-Academy Trust
Smith's Wood Academy - Fairfax Multi-Academy Trust
Summerhill Primary Academy- Summer Park MAT
Conway Primary School- Create Partnership Trust
Greet Primary School- Create Partnership Trust
Edward the Elder Primary - Elston Hall MAT

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

St Bartholomew's C of E Primary School (St Batholomews's CE Multi Academy Trust)
Northern House School (City of Wolverhampton) PRU
Tenterfields Primary Academy - Windsor Academy Trust
St Francis CE Primary School and Nursery- Fioretti Trust
Hill Avenue Academy - Manor MAT
East Park Academy - Manor MAT
Stanton Bridge Primary School- Stanton Bridge Multi-Academy Trust
Cromwell Primary School- Cromwell Learning Community Academy Trust
Broadmeadow Special School- Central Learning Partnership Trust
Hearsall Community Academy - Inspire Education Trust
Bushbury Lane Academy - Reach2 Academy Trust
Quinton Church Primary School- Birmingham Diocesan Multi Academy Trust
Canterbury Cross Primary School - Canterbury Cross Education Trust
Cedars Academy- Robin Hood Multi-Academy Trust
Courthouse Green Primary School - Triumph Multi-Academy Trust
Great Barr Academy - The Shaw Education Trust
Firs Primary School - Washwood Heath MAT
Topcliffe School - Washwood Heath MAT
Parkgate Primary School - The Futures Trust
Phoenix Academy - Academy Transformation Trust
Westminster Primary School - Westminster Academy Trust
Bordesley Village Primary School - Cromwell Community Learning Trust
Stirchley Primary School - Evolve Education Trust
Keresley Grange Primary Academy - The Futures Trust
Heart of Birmingham Vocational College
Colley Lane Primary Academy - Windsor Academy Trust
Moreton School - Amethyst Academy Trust
Cockshut Hill School - Summit Learning Trust
Chandos Primary School - The Elliot Foundation Academies Trust
Woodside Community School & Little Bears Nursery - Hales Valley Multi-Academy Trust
Lutley Primary School - Hales Valley Multi-Academy Trust
Lapal Primary School- Hales Valley Multi-Academy Trust
King Edward VI Handsworth Grammar School For Boys - KEVI AT Birmingham
The Bridge School - Forward Education Trust
Hodge Hill Primary School - Create Partnership Trust
Brays School - Forward Education Trust
Hallmoor School - Forward Education Trust
Dame Elizabeth Cadbury School - Matrix Academy Trust
Matrix Academy Trust
Foxford Community School - Castle Phoenix Trust
WMG Academy for Young Engineers (Solihull)
Turves Green Primary School - Excelsior Multi-Academy Trust
Thorns Collegiate Academy - Shireland Collegiate Academy Trust
St Stephen's Church of England Primay School - St Stephen's Church of England Multi Academy Trust
Holyhead Primary Academy - Shireland Collegiate Academy Trust
Parkfield Primary School - St Stephen's Church of England Multi Academy Trust
Tile Cross Academy - Washwood Heath MAT
Caldmore Primary Academy- Academy Transformation Trust

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Stoke Park School - The Futures Trust
Netherbrook Primary School- Learning Link MAT
Dudley Wood Primary School- Learning Link MAT
Ormiston SWB Academy
Sledmere Primary School- Learning Link MAT
Kates Hill Primary School- Learning Link MAT
Woodfield Primary School - St Bartholomew's COE MAT
The Link Academy - Dudley Academies Trust
St James Academy - Dudley Academies Trust
Birmingham Diocesan Multi Academy Trust
The Sixth Form College, Solihull- Summit Learning Trust
Olive Hill Primary School - Stour Vale Academy Trust
Cardinal Newman Catholic School - Holy Cross MAC
Goldthorn Park Primary - Elston Hall MAT
Ormiston NEW Academy
LGPS Central
Priory Primary School - Hales Valley MAT
Hurst Hill Primary School - Hales Valley MAT
Netherton COE Primary School - Diocese of Worcester MAT
Small Heath Leadership Academy - Star Academies
Leigh COE Academy - Diocese of Coventry MAT
The Active Wellbeing Society Ltd
D'Eyncourt Primary School - Central Learning Partnership Trust
Villiers Primary School - SHINE Academies
City Academy - The Core Education Trust
Jewellery Quarter Academy - The Core Education Trust
Central Academy - The Core Education Trust
Arena Academy - The Core Education Trust
ARK Victoria Academy
St Thomas More Catholic Academy - Holy Cross MAC
Richard Lee Primary School - Castle Phoenix Trust
Woodthorne Primary School - Perry Hall MAT
Bishop Ullathorne Catholic School - Holy Cross MAC
Christ The King Catholic Academy - Holy Cross MAC
St Elizabeth's Catholic Academy - Holy Cross MAC
St Augustines Catholic Primary School - Holy Cross MAC
Tameside Primary Academy - Shireland Collegiate Academy Trust
Coppice Performing Arts School - CLPT
St John Vianney Catholic Primary School - Holy Cross MAC
PeoplesFuture Ltd
Dudley Academies Trust
St Margaret's C of E Primary School - Birmingham Diocesan Multi Academy Trust
Holy Trinity Catholic School -St Teresa of Calcutta MAC
St Thomas' Church of England Primary Academy - Manor Multi Academy Trust
St Alban's Church of England Primary Academy - Manor Multi Academy Trust
Archbishop Ilsley Catholic School - St Teresa of Calcutta MAC
The Pedmore High School-Invictus Education Trust
Birchfield Primary School - Prince Albert Community Trust

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Wilson Stuart University College Birmingham Partnership Trust
Solihull Alternative Provision Academy
Princethorpe Junior School - DRB Ignite MAT
Titan Aston Academy - Titan Education Trust
SS Mary & John's Catholic Primary School- John Paul II Multi-Academy
Ulverley School - Robin Hood MAT
Yenton Primary School - Robin Hood MAT
Brookfields Primary School
Marlborough Infant School - Leigh Trust
Marlborough Junior School - Leigh Trust
SS Peter & Paul Catholic Primary School - John Paul II Multi-Academy
The Ladder School - The Mercian Trust
Birmingham and Solihull Mental Health Foundation Trust
Holy Souls Catholic Primary School - St Teresa of Calcutta MAC
Busill Jones Primary School - SHINE Academies
Springfield Primary Academy - Reach2 Academy trust
Trinity C of E Primary Academy - St Chads Academy Trust
CU Recruitment and Admissions Ltd
Pearl Hyde Community Primary School - Finham Park MAT
King Edward VI Balaam Wood Academy- KEVI AT Birmingham
DRB Ignite Multi-Academy Trust
Colmers Farm Primary School - Excelsior MAT
Northfield Road Primary School - Stour Vale Academy Trust
Shireland Technology Primary - Shireland Collegiate Academy Trust
West Bromwich Collegiate Academy - Shireland Collegiate Academy Trust
Tudor Grange Primary Academy Yew Tree - Tudor Grange Academies Trust
Holy Cross MAC - Central Office
Sacred Heart Catholic School - John Paul II Multi Academy
Ham Dingle Primary Academy - United Learning Trust
St Barnabas C of E Primary School-Fioretti Trust
Sutton Park Primary School - Prince Albert Community Trust
The Olive School, Small Heath - Satr Academies
St Thomas More Catholic Primary School - Lumen Christi Catholic MAC
Pheasey Park Farm Primary School - Elston Hall Multi-Academy Trust
Blowers Green Primary School - Dudley Academies Trust
Cherry Tree Learning Centre - The Skylark Partnership

Without Active Members

ARK Rose Primary Academy
Bickenhill Parish Council
Balsall Parish Council
Sandwell Homes Limited
City of Wolverhampton Academy Trust
Woodlands Academy
Black Country University Technical College
The Mirus Academy- Walsall College Academies Trust
Oldknow Academy
Perry Beeches - The Academy

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Charles Cuddy Walker Academy - Erudition Schools Trust

Baverstock Academy- The Leap Academy Trust

Golden Hillock Academy- The Core Education Trust

CUL Academy Trust Limited

Walsall Adult Community College

ARK Chamberlain Academy

Community Of Interest Admission Bodies - Admitted Bodies

With Active Members

Black Country Museum Trust Ltd

Birmingham Institute for the Deaf

Central England Law Centre

Wolverhampton Grammar School

Wolverhampton Voluntary Sector Council

New Park Village Tenant Management Organisation

West Midlands Growth Company Ltd

Lighthouse Media Centre

St Columba's Church Day Centre

Sandwell Community Caring Trust

The Penderels Trust Ltd

Bushbury Hill Estate Management Board Ltd

Brownhills Community Association Limited

Sickle Cell And Thalassaemia Group

Coventry Sports Trust Ltd

Home Start (Stockland Green/Erdington)

Wildside Activity Centre

Whitefriars Housing Group

Manor Farm Community Association

Bloomsbury Local Management Organisation Ltd

Steps to Work (Walsall) Ltd

Home Start (Walsall)

Murray Hall Community Trust

Sandbank Tenant Management Organisation Ltd

Walsall Housing Group

Northern Housing Consortium Ltd

WATMOS Community Homes

Voyage Care Limited

Sandwell Leisure Trust

Black Country Consortium Ltd

BME United Ltd

Dovecotes Tenant Management Organisation Ltd

Midland Heart Ltd

Titan Partnership Ltd

New Heritage Regeneration Ltd

Mytime Active

Acivico (Design Construction and Facilities Management) Ltd

Acivico (Building Consultancy) Ltd

Sandwell Community Caring Trust (Sandwell Care Homes)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

4 Towers TMO Limited

SIPS Education Ltd

Culture Coventry

Kingswood Trust

Without Active Members

Age Concern Wolverhampton

Belgrade Theatre Trust (Coventry) Ltd

Valuation Tribunal Service

Cannon Hill Trust (now Midlands Arts Council)

Cerebral Palsy Midlands

Newman College

Selly Oak Nursery

St Basil's Centre

Aston University

University of Warwick

West Midlands Examinations Board (The)

West Midlands Local Authorities Employers' Organisation

Wolverhampton Race Equality Council

West Midlands (West) Valuation Tribunal

Black Country Museum Development Trust (The)

Coventry Voluntary Service Council

Moseley and District Churches Housing Association Ltd

Age Concern Birmingham Vsop

Dudley Zoo Development Trust

East Birmingham Family Service Unit

Three Tuns Neighbourhood Project

South Birmingham Family Services Unit

TSB Bank plc (formerly Birmingham Municipal Bank)

Walsall Enterprise Agency Ltd

Metropolitan Authorities Recruitment Agency (METRA)

Birmingham Heartlands Development Corporation

Wolverhampton Community Safety Partnership

Family Care Trust

Solihull Community Care Trust

Springfield/Horseshoe Housing Management Co-operative Ltd

Friendship Care and Housing Ltd

Chris Laws Day Care Centre for Older People

Asian Welfare Centre

West Bromwich Afro-Caribbean Resource Centre

Job Change Ltd

National Urban Forestry Unit

Palfrey Community Association

Heart of England Care

All Saints Haque Centre

Asian Women's Adhikar Association (AWAAZ)

Heath Town Estate Management Board

South Warwickshire Tourism Ltd

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Adoption Support
West Midlands Councils (formerly West Midlands Leaders Board)
Optima Community Association
Delves East Estate Management Ltd
Life Education Centres West Midlands
Relate
Community Justice National Training Organisation
Aquarius Action Projects
Wednesbury Education Action Zone
Millennium Point Trust
Druids Heath TMO
Lieutenancy Services (West Midlands) Limited
Home Start (Birmingham South)
Black Business in Birmingham
Wolverhampton Family Information Service Ltd
Black Country Connexions
Burrowes Street Tenant Management Organisations Ltd
Rightstepcareers Ltd (formally CSW Partnership Ltd)
Bilston and Ettingshall SureStart
Wolverhampton Network Consortium
CV One Ltd
Leamore Residents Association Limited
Birmingham and Solihull Learning Exchange (The)
BXL
Chuckery Tenant Management Organisation Ltd
Museum of British Road Transport Trust (Coventry) Ltd
West Midlands Transport Information Services Ltd
Black Country Partnership NHS Foundation Trust
Sunderland ARC Ltd
Solihull Care Ltd
National Windows Ltd
Walsall Regeneration Company Ltd
Sandwell Regeneration Company Ltd
Solihull Care Trust
Leisure and Community Partnership Ltd
Wolverhampton Development Company Ltd
Coventry Heritage and Arts Trust
Sandwell Arts Trust
Age Concern Birmingham
Murray Hall Community Trust (Oldbury)
Murray Hall Community Trust (Rowley)
Murray Hall Community Trust (Wednesbury)
Priory Family Centre CIC Ltd
Broadening Choices for Older People
Roman Way Estate CIC
Moor Green Primary Academy - HTI MAT
Black Country Housing Group (New Bradley Hall)
Birmingham Solihull Mental Health NHS Foundation Trust

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Transferee Admission Bodies

With Active Members

Galliford (UK) Ltd
Amey Highways Ltd
Pell Frischmann Consultants Ltd
Mitie PFI Ltd
Integral UK Ltd (Coventry)
Service Birmingham Ltd
Engie Services Ltd
Enterprise Managed Services Ltd (Solihull)
Housing 21 Ltd
BAM Construct UK Ltd
Tarmac Ltd
Agilisys Ltd (Rowley/Smethwick)
KGB Cleaning & Support Services Ltd Bishop Ulathorne School)
Amey LG Ltd
Balfour Beatty Living Places Ltd (Coventry)
SERCO Ltd (Sandwell)
Agilisys Ltd (OCOS/WODO/Tipton)
Creative Support Limited
Lawrence Cleaning - St Stephens School
NSL Ltd (Solihull)
Interserve Catering Services Ltd (Smethwick)
Interserve Catering Services Ltd (Rowley)
Engie FM Ltd (Broadway School)
Aspen Services Ltd (Gosford Park School)
Premier Support Services Ltd (Alumwell Infant School)
Alliance in Partnership Ltd (Harborne Primary School)
Aspens Services- Phoenix Collegiate
Places for People Leisure Limited (Wolverhampton)
Aspen Services Ltd (Courthouse Green Primary School)
Alliance in Partnership Ltd (Unity Cluster)
Atalian Servest Food Co Ltd (Synergy Schools)
APCOA Parking (UK) Limited (Wolverhampton)
Integral UK Ltd (Hill Farm Primary School)
ABM Catering Limited (Aldermoor Farm Primary School)
Atalian Servest Food Co Ltd (John Gulson)
Alliance in Partnership Ltd (Broadway)
Action Indoor Sports Birmingham CIC Limited
Pendergate Ltd
Alliance in Partnership Ltd (Greenefields Primary School)
Aspens-Services Ltd (Old Church School)
Aspens Services Ltd (Rough Hay School)
Aspens-Services Ltd (Salisbury School)
Aspens-Services Ltd (Aldridge School)
Aspens Services Limited (Pinfold Street Primary)
ABM Catering Limited (Allesley)
ABM Catering Ltd (St Andrews C of E Infant School)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

NSL Ltd (BCC)
Birmingham Community Leisure Trust (North East Contract)
Birmingham Community Leisure Trust (South West Contract)
Alliance in Partnership Ltd (Brownhills School)
Places for People Leisure Limited (Sparkhill)
T(n)S Catering Management Ltd (Potters Green School)
T(n)S Catering Management Ltd (Moat House School)
ABM Catering Ltd (John Shelton Community Primary School)
Alliance in Partnership Ltd (Coventry South Cluster Group)
Alliance in Partnership Ltd (St Matthias School)
Elite Cleaning & Environmental Services Ltd (Bloxwich Academy)
Compass Contract Services (UK) Ltd (Diocese of Coventry MAT)
Aspens-Services Ltd (Bartley Green)
Aspens-Services Ltd (St Peters Collegiate)
Engie Regeneration Holdings Ltd
Wates Construction Ltd (West-Central)
Priory Education Services Ltd
Wates Construction Ltd (East)
Compass Contract Services (UK) Ltd (Hall Green Secondary School)
Fortem Solutions Ltd (BHAM South)
Alliance in Partnership Ltd (Pedmore Primary School)
Dodd Group (Midlands) Ltd
Mazars Ltd (Walsall MBC)
Prospects Services (Coventry and Warwickshire)
Aspens-Services Ltd (St Peter's Catholic School, Solihull)
Aspens-Services Ltd (Heartlands Academy)
Aspens-Services Ltd (Merritts Brook Academy)
Aspens-Services Ltd (St George's C of E Academy)
Aspens-Services Ltd (Mansfield Green Academy)
Aspens-Services Ltd (West Walsall E-ACT Academy)
Alliance in Partnership Ltd (Holy Family Catholic Primary School)
Aspens-Services Ltd (Whitgreave Junior School)
Sodexo Ltd (Oasis Community Learning)
Alliance in Partnership Ltd (Heart of England School)
Cleantec Services Ltd (Coventry College)
Taylor Shaw Ltd (Broadway Academy)
Aspens-Services Ltd (Hillcrest School)
Premier Support Services Ltd (Yew Tree Community School)
Aspens-Services Ltd (Joseph Leckie Academy)
Miquill Catering Ltd (Colton Hills)
Miquill Catering Ltd (Woodfield Junior)
Aspens Services Ltd (St Martin's School)
Sandwell Children's Trust
Caterlink Ltd (John Paul II)
Murray Hall Community Trust (Rowley and Tipton)
Churchill Contract Services Ltd (Finham Park MAT)
Compass Contract Services UK Ltd (Arthur Terry Lp)
Caterlink Ltd (The Futures Trust)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Aspens-Services Ltd (Fairfax MAT)
Greenwich Leisure Ltd
Action for Children (West Bromwich and Wednesbury)
Action for Children (Smethwick and Oldbury)
Aspens-Services Ltd (Merridale Primary School)
Aspens-Services Ltd (Bantock Primary School)
Aspens-Services Ltd (Lanesfield Primary School)
KCLS (St Annes Primary School)
Churchill Contract Services Ltd (Wodensfield Primary School)
Churchill Contract Services Ltd (Stoke Park School and Community Technology College)
Compass Contract Services (UK) Ltd (Smestow School)
Compass Contract Services (UK) Ltd (Wednesfield High School)
T(N)S Catering Management Ltd (Fibbersley Park School)
Caterlink Ltd (Stoke Park School)
Caterlink Ltd (Romero Multi Academy)
Churchill Contract Services Ltd (Moat House Primary School)
OCS Group UK Ltd (Highfields and Pennfields)
Compass Contract Services (UK) Ltd (Uplands Junior School)
Birmingham Children's Trust
Jewson Ltd (Dudley MBC)
Accuro Fm Limited (Hall Green Secondary School)
Arden Service (UK) Ltd (Highfield J&I School)
ICE Creates Ltd (Coventry CC)
Churchill Contract Services Ltd (Finham Park School)
Arden Services (UK) Ltd (Birchfield Primary School)
Change, Grow, Live Ltd (Walsall MBC)
Tenon Fm Ltd (Bournville junior and Infant School)
KWB Corporate Cleaning Ltd (Elms Farm Primary School)
Aramark Limited (Walsall College)
Alliance in Partnership (Holy Trinity C of E Primary School)
Alliance In Partnership Ltd (Edgewick Primary School)
Premier Support Services Ltd (Braidwood Trust School For The Deaf)
Churchill Contract Services Ltd (Colmers School And Sixth Form College)
Miquill Catering Ltd (Acocks Green Primary School)
Aspens-Services Ltd (Maney Hill Primary)
Aspens-Services Ltd (Blue Coat C of E Academy)
Aspens-Services Ltd (Whitgreave Infant School)
Genie Cleaning Services Ltd (Bartley Green School)
Cleantec Services Ltd (Four Dwellings Primary Academy)
Pendergate Ltd (Tudor Grange Academies Trust)
The Camphill Village Trust Ltd (Dudley MBC)
Aspens-Services Ltd (Lordswood Girls School)
Bellrock Property and Facilities Management Ltd (Tudor Grange Academies Trust)
Mellors Catering Services (Kingswinford Academy)
Churchill Contract Services Ltd - Langley School
Aspens-Services Ltd (Yardleys School)
Accuro FM Ltd (Core Academy Trust)
Cleantec Services Ltd (Montgomery Primary Academy)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Miquill Catering Services (Woodfield School)
Miquill Catering Services (St Bartholomews Ce Primary Sch)
Greater Birmingham and Solihull Local Enterprise Partnership
Miquill Catering Ltd (Busill Jones Primary School)
Miquill Catering Ltd - Elston Hall Multi Academy Trust
St Edmund Campion Catholic Secondary School - John Paul II Multi-Academy

Without Active Members

MLA West Midlands
Pool Hayes Community Association
Mitie Cleaning (Midlands) Ltd
Technology Innovation Centre
Service Team Ltd
Target Excel plc (Solihull MBC)
Veolia Environmental Serviced Cleanaway (UK) Ltd
Revenue Management Services
Leisure Living Ltd
Central Parking Systems
Target Excel plc (Magistrates Courts)
JDM Accord Ltd (Shrewsbury & Atcham)
JDM Accord Ltd (Shropshire)
Redcliffe Catering Ltd (Bordesley Green Girls School)
JDM Accord Ltd (Tamworth)
Vertex Data Science Ltd
Morrison Facilities Services Ltd
JDM Accord Ltd (Telford & Wrekin)
Kite Food Services Ltd
Redcliffe Catering Ltd (Camp Hill School)
Temple Security Ltd
West Midlands E-Learning Company
Select Windows (Homes Improvements) Ltd
Forest Community Association
Methodist Homes for Aged
Enterprise (AOL) Ltd (Telford/Wrekin)
Enterprise (AOL) Ltd (Shrewsbury)
Enterprise (AOL) Ltd (Shropshire)
Accord Operations Ltd (Birmingham)
Edith Cadbury Nursery School
Target Excel plc (Walsall MBC)
Enterprise Managed Services Ltd (Wolverhampton)
Research Machines plc
Mitie Cleaning (Midlands) Ltd - Wednesfield
Superclean Services
Mitie Property Services (UK) Ltd
Strand Ltd
APCOA Parking (UK) Ltd
Regent Office Care Ltd (Whitefriars)
British Telecom

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Regent Office Care Ltd (City College, Coventry)
RM Education plc
APCOA Parking (UK) Ltd (Solihull)
Serco Ltd (Stoke)
Mears Group plc
Wates Construction Ltd (Birmingham)
Thomas Vale Construction plc
GF Tomlinson Birmingham Ltd
Willmott Dixon Partnership Ltd (North Contract)
Alliance in Partnership Ltd (Aston)
Alliance in Partnership (Camp Hill)
Mitie Managed Services (S&SW) Ltd
Mitie Managed Services (S&SW) Ltd - Coventry
Capita IT Services Ltd
Bespoke Cleaning Services Ltd (Wton College)
ACUA Ltd
Interserve Construction Ltd (Rowley Campus)
Interserve Construction Ltd (Smethwick Campus)
Regent Office Care Ltd (Hereward)
Willmott Dixon Partnership Ltd (South Contract)
Mears Ltd
Serco Ltd (Walsall)
Bovis Lend Lease Management Services Ltd
Mouchel Ltd
Taylor Shaw Ltd (COWAT)
Regent Office Care Ltd (COWAT)
Icare GB Ltd
Taylor Shaw Ltd (St Albans)
Interserve Construction Ltd (OCOS/WODO/Tipton Schools)
Premier Security Services Ltd
Regent Office Care Ltd (Henley College)
Sodexo Ltd
Alliance in Partnership Ltd (Stoke Park)
Alliance in Partnership Ltd (Ernesford Grange)
Alliance in Partnership Ltd (President Kennedy)
Action for Children (Smethwick)
Taylor Shaw Ltd (Colton Hills School)
Barnardos (Sandwell)
Premier Support Services Ltd (Streetly School)
Premier Support Services Ltd (Alumwell Junior School)
Premier Support Services Ltd (Hodge Hill School)
Engie Fm Limited (Park View School)
Engie FM Limited (International School)
Engie FM Limited (Saltley School)
Engie Fm Limited (George Dixon School)
Engie FM Ltd (Sheldon Heath School)
Lend Lease Construction (Europe) Ltd (Park View & International School)
Lend Lease Construction (Europe) Ltd (George Dixon School)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Lend Lease Construction (EMEA) Ltd (Saltley School)
Lend Lease Construction (Europe) Ltd (Moseley School)
Carillion plc (Highfield and Pennfields)
Regent Office Care Ltd (Willenhall)
Lawrence Cleaning Ltd (Woodthorne School)
Interserve Facilities Management Ltd (Smethwick)
Action for Children (West Bromwich)
DRB Contract Cleaning Ltd (Wychall Primary School)
DRB Contract Cleaning Ltd (Yew Tree Primary)
Harrison Catering Services Ltd (Shenley Academy)
Integral UK Ltd (Queensbridge School)
Taylor Shaw Ltd (Great Barr School)
Taylor Shaw Ltd (Hodge Hill)
Premier Support Services Ltd (St Edmund Campion School)
Premier Support Services Ltd (Holy Trinity RC)
Alliance in Partnership (King Edward VI Sheldon Heath)
Lend Lease Construction (Europe) Ltd (E-ACT)
KGB Cleaning and Support Services Ltd (Alderbrook)
Catering Academy Ltd (Walsall)
Urban Enterprises (Bournville) Ltd
KGB Cleaning and Support Services Ltd (Lyndon School)
European Electronique Ltd (Tile Hill Wood School)
Call First Cleaning Limited
Elite Cleaning and Environmental Services Ltd (Hereward College)
Carillion (AMBS) Limited (Heath Park Academy)
Churchill Contract Services Ltd (Cottesbrook Junior School)
Churchill Contract Catering Ltd (Whitehall School)
APCOA Parking (UK) Limited (Wolverhampton)
Bespoke Cleaning Ltd (Westwood Academy)
Civica UK Ltd (ARK Schools)
Taylor Shaw (Great Barr Birmingham)
Taylor Shaw Ltd (Brownhills)
KCLS Ltd (Coventry)
KCLS Ltd (Alderbrook School)
Compass Contract Services (UK) Ltd (Yardleys School)
Aspens-Services Ltd (Sladefield Infants School)
ABM Catering Limited (St Johns C of E Academy)
ABM Catering Limited (Cannon Park)
Change, Grow, Live Ltd
Churchill Contract Services Limited (Walsall College)
T(n)S Catering Management Ltd (Potters Green School)
Aspens-Services Ltd (South Wolverhampton and Bilston Academy)
Regent Office Care Ltd (Ormiston Shelfield Academy)
Superclean Services Wolthorpe Ltd (Finham Park)
ABM Catering Ltd - Lodge Farm Junior Mixed & Infant School
Holroyd Howe (Wolverhampton Grammar School)
Carillion (AMBS) Limited (St Mathias)
Superclean Services Wolthorpe Ltd (Fordbridge Community Primary School)

FURTHER INFORMATION

PARTICIPATING EMPLOYERS IN THE FUND

Alliance in Partnership Ltd (Joseph Leckie)
Alliance in Partnership Ltd (Glenmead Primary School)
Aspens-Services Ltd (Cannon Park Primary School)
KCLS Limited (Manor Park Primary School)
Aspens-Services Ltd (Nechells Academy)
Holroyd Howe (Wolverhampton Grammar School)
Carillion (AMBS) Limited (St Mathias)
Superclean Services Wolthorpe Ltd (Fordbridge Community Primary School)
Alliance in Partnership Ltd (Joseph Leckie)
Alliance in Partnership Ltd (Glenmead Primary School)
Aspens-Services Ltd (Cannon Park Primary School)
KCLS Limited (Manor Park Primary School)
Aspens-Services Ltd (Nechells Academy)
Lend Lease Construction (Europe) Limited (The Sixth Form College Solihull)
Alliance in Partnership Ltd (Christ the King Catholic Primary School)
Alliance in Partnership Ltd (St Thomas More Catholic School)
Dovetail Group (UK) Ltd (Alderbrook School)
Schools Plus Ltd (John Henry Newman Catholic College)
Mellors Catering Services (Grestone Academy)
Compass Contract Services (UK) Ltd (Moseley School)
Woodfield Junior School - St Bartholomew's COE MAT
Pendergate Ltd (Lea Forest Academy)
Capita Managed IT Solutions Ltd (Ormiston Academies Trust)
Churchill Contract Services Ltd (Greswold Primary School)

Other Major Employers Who Have Participated in the Fund

Birmingham International Airport plc
Department of Transport
Department of Health and Social Security
Severn Trent Water Authority
Staffordshire and West Midlands Probation Trust
West Midlands Magistrates Courts Committee