

CITY OF
WOLVERHAMPTON
COUNCIL

Pensions Committee

7 December 2016

Time 10.30 am **Public Meeting?** YES **Type of meeting** Pensions
Venue Committee Room 3 - Civic Centre, St Peter's Square, Wolverhampton WV1 1SH

Membership

Chair Cllr Ian Brookfield (Lab)
Vice-chair Cllr Keith Inston (Lab)

Labour	Conservative	Liberal Democrat
Cllr Peter Bilson	Cllr Paul Singh	
Cllr Jasbir Jaspal	Cllr Wendy Thompson	
Cllr Hazel Malcolm		
Cllr Phil Page		
Cllr John Reynolds		
Cllr Tersaim Singh		

District Members

Cllr Keith Chambers (Walsall Metropolitan Borough Council)
Cllr Sandra Hevican (Sandwell Metropolitan Borough Council)
Cllr Changese Khan (Birmingham City Council)
Cllr John Mutton (Coventry City Council)
Cllr Angela Sandison (Solihull Metropolitan Borough Council)
Cllr David Sparks (Dudley Metropolitan Borough Council)

Trade union observers

Mr Malcolm Cantello
Mr Martin Clift
Mr Alan Phillips
Mr Ian Smith

Quorum for this meeting is four Councillors.

Information for the Public

If you have any queries about this meeting, please contact the democratic support team:

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Tel/Email Tel:01902 555835 or dereck.francis@wolverhampton.gov.uk
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Wolverhampton WV1 1RL

Copies of other agendas and reports are available from:

Website <http://wolverhamptonintranet.moderngov.co.uk>
Email democratic.support@wolverhampton.gov.uk
Tel 01902 555043

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Some items are discussed in private because of their confidential or commercial nature. These reports are not available to the public.

Agenda

Part 1 – items open to the press and public

<i>Item No.</i>	<i>Title</i>
1	Apologies for absence (if any)
2	Notification of substitute members
3	Declarations of interests (if any)
4	Minutes (Pages 5 - 16) (a) Pensions Committee – 14 September 2016 [For approval] (b) Investment Advisory Sub-Committee – 14 September 2016 [For approval]
5	Matters arising [To consider any matters arising from the minutes of the previous meetings]
6	Responsible Investment Activities (Pages 17 - 24) [To receive the report on work undertaken by the Investment team regarding their responsible investment activities between the period 1 July to 30 September 2016]
7	Service Plan Monitoring 2016/17 and Quarterly Accounts September 2016 (Pages 25 - 46) [To receive and note the performance monitoring information]
8	Risk and compliance monitoring 1 July - 30 September 2016 (Pages 47 - 70) [To approve a new Safeguarding policy and Information Asset Register and to receive an update on the Fund's risk register and quarterly compliance monitoring program and on the work undertaken by the Fund on the compliance monitoring set against the Pension Regulator's Code of Practice]
9	Communications Policy Review (Pages 71 - 100) [To provide an update on the work of the Fund in the area of communications during 2015/16 and to present the communications policy for 2016/17]
10	Investment Pooling (Pages 101 - 112) [To consider changes required to the operational and governance arrangements for West Midlands Pension Fund following the recent amendment of the LGPS Investment Regulations]
11	Data Quality and Employer Performance - Quarterly Update 1 July to 30 September 2016 (Pages 113 - 120) [To note the progress and the actions taken to continue to improve data quality]

- 12 **Pensions Administration Report - 1 July to 30 September 2016** (Pages 121 - 140)
[To receive the report on the work undertaken by the pensions administration service during the period 1 July to 30 September 2016 for both the Main Fund and the West Midlands Integrated Transport Authority Fund]
- 13 **Exclusion of the Press and Public**
[To pass the following resolution:

That in accordance with Section 100A(4) of the Local Government Act 1972 the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information on the grounds shown below]

Part 2 - exempt items, closed to press and public

<i>Item No.</i>	<i>Title</i>	<i>Grounds for Exemption</i>
14	2016 Actuarial Valuation - Update (Pages 141 - 148) [To provide an update on the 2016 actuarial process, the preliminary results and proposed changes to the funding strategy statement]	Information relating to the financial or business affairs of any particular person (including the authority holding that information) Para (3)

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Pensions Committee

Minutes - 14 September 2016

Agenda Item No: 4

Attendance

Members of the Pensions Committee

Cllr Ian Brookfield (Chair)
Cllr Keith Inston (Vice-Chair)
Cllr Peter Bilson
Cllr Phil Page
Cllr Paul Singh
Cllr Tersaim Singh
Cllr Jasbir Jaspal
Cllr Wendy Thompson
Cllr Hazel Malcolm
Cllr John Reynolds
Cllr Keith Chambers (Walsall MBC)
Cllr Sandra Hevican (Sandwell MBC)
Cllr John Mutton (Coventry City Council)
Cllr Angela Sandison (Solihull MBC)
Cllr David Sparks (Dudley MBC)

Trade Union observer:

Malcolm Cantello (Unison)

Employees

Geik Drever	Strategic Director of Pensions - West Midlands Pension Fund
Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
David Evans	Head of Portfolio, Passive Equities, West Midlands Pension Fund
Rachel Howe	Head of Governance - West Midlands Pension Fund
David Kane	Head of Finance - West Midlands Pension Fund
Amanda MacDonald	Client Lead Auditor
Mark Taylor	Director of Finance and Section 151 Officer

Part 1 – items open to the press and public

Item No. *Title*

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

Apologies for absence were submitted on behalf of Cllr Steve Booton (Birmingham City Council), Martin Clift and Ian Smith (Unite) and Alan Phillips (GMB).

2 **Notification of substitute members**

No notifications of substitute members were received.

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

Cllrs Tersaim Singh and Keith Chambers both declared a non disclosable pecuniary interest in any matters on the agenda relating to the West Midlands Combined Authority (CA) in so far as they are members of the CA Audit and Risk Committee.

4 **Minutes of previous meetings**

a. **Pensions Committee – 22 June 2016**

Resolved:

1. That minute 10 of the Pensions Committee held on 22 June 2016 be amended by the addition of:

'Malcolm Cantello also commented on the recent Parliamentary Select Committee meeting and media reports into the employment practices at Sports Direct'.

2. That subject to 1 above the minutes of the meeting of the Pensions Committee held on 22 June 2016 be approved as a correct record and signed by the Chair.

b. **Investment Advisory Sub Committee – 22 June 2016**

Resolved:

That the minutes of the meeting of the Investment Advisory Sub Committee held on 22 June 2016 be approved as a correct record.

5 **Matters arising**

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

6 **Pension administration strategy - review**

Rachel Brothwood, Director of Pensions presented a proposed revised Pensions Administration Strategy and employer consultation, in preparation for the changes proposed to be implemented in April 2017.

Resolved:

That the proposed revised Pension Administration Strategy, and planned consultation with scheme employers prior to return to Committee in March 2017 for final approval be noted.

7 **Responsible investment activities**

David Evans, Head of Portfolio, Passive Equities highlighted the main points of the report on the work undertaken by the Investment team regarding their responsible investment activities between the period 1 April to 30 June 2016.

Referring to the update on Israeli-Palestinian campaign, Malcolm Cantello (Unison) welcomed that two companies had agreed to integrate human risk considerations into its business processes in accordance with UN Guiding Principles on Business and Human Rights. However there remained one company who the Fund invested in who had not made such a declaration. He asked that the Fund use its influence in line with British policy and encourage them to follow the position to be adopted by the other two companies. The Committee was informed that the Fund would pursue the matter through its engagement policy and with the Local Authority Pension Fund Forum (LAPFF).

Malcolm Cantello also updated the Committee on the recent Sports Direct Shareholders meeting where a resolution about working practices at the Company was supported by a number of shareholders. He indicated that it was useful that the issue had been highlighted nationally.

The Chair commented that the Fund was not an ethical body but it took its responsibilities seriously. Companies were changing their stance as a result of pressure from the Fund and collectively through LAPFF.

Resolved:

1. That the Fund's voting and the LAPFF's engagement activity for the three months ending 30 June 2016, including Appendix 1 be noted.
2. That the issues discussed by LAPFF as set in the Quarterly Engagement Report which is available on their website be noted:
http://www.lapfforum.org/Publications/engagement/files/Q2_2016_QER_FINAL.pdf
3. That an update on the Israeli-Palestinian engagement program and the outcome of shareholder resolutions on carbon management and climate change risk within the mining sector be noted.
4. That the arrangements being made to extend the contract for the Fund's Proxy Voting service provider and re-tender the LAPFF research and engagement partner be noted.
5. That the updating of the Fund's Compliance with the UK Stewardship Code for Institutional Investors be noted.

8

Extension of investment advisors contract

Geik Drever, Strategic Director of Pensions presented a report on the work undertaken by Hymans Robertson in its role as investment advisor to the Fund. Taking into account the Fund's expected requirements, the Strategic Director recommended that the services of Hymans Robertson be retained for an additional two years commencing November 2016.

Resolved:

That the Fund's contract with its investment advisor, Hymans Robertson be extended for an additional two year period.

9

West Midlands Pension Fund Statement of Investment Principles

Geik Drever, Strategic Director of Pensions presented for review and approval, the Fund's Statement of Investment Principles (SIP). Minor revisions had been made to the Statement.

Referring to the introduction in the Statement, Malcolm Cantello, Unison pointed out that there were three trade union representatives on the Fund and not two as indicated in the document.

Resolved:

That the Fund's Statement of Investment Principles be approved.

10 **West Midlands Integrated Transport Authority Pension Fund's Statement of Investment Principles**

The Committee received for review and approval, the West Midlands Integrated Transport Authority Fund's (WMITA's) Statement of Investment Principles (SIP).

Resolved:

That the WMITA Pension Fund's Statement of Investment Principles be approved.

11 **Annual Report and Accounts 2015/16**

David Kane, presented for approval the Fund's audited annual report for the year ending 31 March 2016. He informed the Committee that there had been no significant changes to the accounts since the last meeting and the figures remained unchanged from the draft accounts that were presented in June. He went on to explain the only change of significance related to a post balance sheet event note. He also informed Committee that it was anticipated that the Fund would receive an Unqualified Opinion from its external auditors, Grant Thornton. He also drew the Committee's attention to some of the audit findings from Grant Thornton and the Fund's management response to them

Ashley Wilson, Audit Manager, Grant Thornton was in attendance for this item. He confirmed that an Unqualified Opinion would be issued as well as a Consistency Opinion. A letter of Management Representation had been requested and he hoped that the Chair of the Pensions Committee would view and sign the letter. He also informed the Committee that for a first year audit it had gone well with good levels of co-operation. However, some external investment managers failed to respond to the Auditor's requests for balances. It had been agreed that the Head of Finance would be provided with a list of points for him to follow up.

Cllr Ian Brookfield (Chair) and Geik Drever, Strategic Director of Pensions confirmed that the Fund would be following up on the issues with the external investment managers and make any necessary changes.

Resolved:

1. That the Annual Report for the year ending 31 March 2016, and its publication on the Fund's website following completion of the external audit be approved.
2. That Grant Thornton's draft annual audit report be noted.

12 **Service plan monitoring 2016/17 and quarterly accounts June 2016**

David Kane, Head of Finance presented the update report on performance against key performance indicators (KPIs); and the forecast outturn for the year against operating budgets and quarterly accounts as at the end of June 2016.

Responding to questions, the Head of Finance confirmed that the Fund's administrative cost per member was benchmarked through the Chartered Institute of Public Finance and Accountancy (CIPFA) as a result of the Fund being a member of CIPFA. The Fund also compared favourably with the partner Funds on the Local Authority Pension Fund Forum (LAPFF) with whom the Fund also benchmarked itself. The Head of Finance also explained the reason for the difference between the actual and approved 2015/16 budget.

Rachel Brothwood, Director of Pensions also responded to questions on the key performance indicator (KPI) relating to deaths, and explained that performance in this area was consistent with that previously reported. The target of five days for notification of benefits payable to dependants from receiving the required information was being missed and on occasions was taking six days. Regarding performance on the issue of Annual Benefit Statements (ABS), it was confirmed that all ABS had been issued to eligible active members by 31 August 2016. Where an employer had not provided the Fund with the necessary information to enable it to issue an ABS to a member the Fund would send a letter to the member stating the reasons why.

The Chair commented that an issue for the Fund was how long it should wait for an employer to provide the Fund with the necessary information to issue an ABS before the Fund moved to seek full recovery of its costs from the employer.

Resolved:

1. That performance against the Fund's key performance indicators as at the end of June 2016 be noted.
2. That forecast outturn against operating budgets as at the end of June 2016, which is an under spend of £6.3 million be noted.
3. That it be noted that the quarterly accounts for the period ending 30 June 2016 show that:
 - the value of West Midlands Pension Fund at this date was £12.5 billion, an increase of £882.0 million from 31 March 2016;
 - the value of West Midlands ITA Pension Fund at this date was £472.7 million, an increase of £11.9 million from 31 March 2016.

13

Accounting policies 2016/17

David Kane, Head of Finance presented for endorsement, the accounting policies to be used in preparing the Funds' accounts for the 2016/17 financial year. No significant changes had been made to the policies from the 2015/16 Code.

Resolved:

That the Funds' accounting policies for the 2016/17 financial year be endorsed.

14

Risk and compliance monitoring - 1 April to 30 June 2016

Rachel Howe, Head of Governance, Pensions Service presented the report on the quarterly review of the Fund's top ten risks and feedback on the quarterly compliance monitoring programme.

Resolved:

1. That the top ten risks for the West Midlands Pension Fund be noted.
2. That the compliance issues that have arisen during the quarter and resolutions put in place be noted.

- 15 **Additional voluntary contributions - update**
Rachel Brothwood, Director of Pensions presented an update on the review of the Fund's additional voluntary contributions (AVCs) arrangements. The review was expected to conclude with recommended changes for consideration by Committee at the next meeting.

The Chair commented that the arrangements would make a positive impact for Fund members who decide to take up the offer and make ACVs.

Responding to a question from Malcolm Cantello, Unison regarding who would be responsible for the administration of AVCs, Geik Drever, Strategic Director of Pensions reported that individual members would decide what funds they buy.

Resolved:
That the review of the ongoing review and potential changes to the Fund's AVC arrangements be noted.
- 16 **Pensions administration report - 1 April to 30 June 2016**
Rachel Brothwood, Director of Pensions outlined the salient points from the update report on the work of the pensions administration service during the period 1 April to 30 June 2016 for both the Main Fund and the West Midlands Integrated Transport Authority Fund.

The Chair asked members of the Committee to notify the Fund's Member Services Team of locations for the Roadshow events bus to visit. The Director of Pensions undertook to arrange for a note/email to be circulated to the Committee with a link to locations for the Roadshow events.

Resolved:
1. That the write-offs detailed in section 8.0 of the report be approved.
2. That the four and a half year relicensing proposal for Civica's UPM2 Pension Administration software product as detailed in section 10 of the report be approved.
3. That the applications approved by the Strategic Director of Pensions and the Chair or Vice Chair of Pensions Committee for admission to the West Midlands Pension Fund be noted.
4. That the pensions administration activity for both the West Midlands Pension Fund (the Main Fund) and the West Midlands Integrated Transport Authority Fund (the WMITA Fund) be noted.
- 17 **Data Quality - quarterly update**
Rachel Brothwood, Director of Pensions presented an update report on the progress being made by the Fund to continue to improve data quality. The report also set out the performance attained by employers on delivery of the 2016 annual return and to summarise the plans in place to make further improvements to data quality and move to more frequent exchanges of data.

Responding to a question from Malcolm Cantello (Unison) the Strategic Director of Pensions confirmed that the issue regarding 49 employers not returning their data files on time had been overcome and the situation resolved. Also the employer referred to in a previous report who had been declared bankrupt had exited from the Fund. An interim dividend payment was expected from them but it would not cover the shortfall.

The Chair commented that the shortfall would be a cost to the Fund's members. The Strategic Director added that the Fund was still in discussions with the Department for Education regarding the matter.

Resolved:

1. That the progress and actions being taken to continue to improve data quality be noted.
2. That the Fund's transition to improve frequent exchange of data with employers be noted.

18

Exclusion of the press and public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

19

2016 Actuarial valuation - update

Rachel Brothwood, Director of Pensions outlined the salient points of the update report on the 2016 actuarial valuation.

Resolved:

The report and the associated update on progress with the 2016 actuarial valuation of both the West Midlands Pension Fund (the Main Fund) and the West Midlands Integrated Transport Authority Fund (the WMITA Fund) be noted.

20

Investment pooling update

Geik Drever, Strategic Director of Pensions presented an update on progress regarding the pooling of investments in the Local Government Pension Scheme (LGPS).

Against the background of capacity issues to undertake all the work necessary for implementing investment pooling for LGPS Central, Malcolm Cantello (Unison) asked whether a message was being conveyed to the Department for Communities and Local Government (DCLG) suggesting that investment pooling be piloted rather than all Funds having to implement at the same time. The Strategic Director of Pensions reported that the capacity issues were well known by the DCLG and some parts of the Pensions industry were already running pilots and the LGPS Central had learned from them.

The Strategic Director of Pensions advised that it was hoped that the Go Live date would be before 1 April 2018, possibly in February 2018.

Resolved:

1. That the Chair of the Committee be nominated to represent West Midlands Pensions Fund/West Midlands Integrated Transport Authority on the Shareholders Forum/Joint Committee with the Vice Chair as substitute.
2. That the update on progress regarding the pooling of investments for LGPS Central be noted.

21

Employer covenant update

Rachel Brothwood, Director of Pensions presented an update on the review of the in-house monitoring framework, the employer covenant review aligned to the 2016 actuarial valuation and the individual cases arising from the on-going monitoring process.

During the ensuing discussion members of the Committee noted the update position on Wolverhampton College and that the Fund was in active dialogue with the employers who were on the watch list as part of the Fund's in house covenant monitoring exercise.

Resolved:

1. That the proposal and process for the fund-wide covenant review and segmentation be noted.
2. That the independent covenant reviews underway for district councils and West Midlands Integrated Transport Authority employers be noted.
3. That the focus upon the Further Education sector and the associated overview of Wolverhampton College be noted.



Investment Advisory Sub-Committee

Minutes - 14 September 2016

Attendance

Members of the Investment Advisory Sub-Committee

Cllr Ian Brookfield (Chair)
Cllr Keith Inston (Vice-Chair)
Cllr Peter Bilson
Cllr Tersaim Singh
Cllr Keith Chambers (Walsall MBC)
Cllr Sandra Hevican (Sandwell MBC)
Cllr John Mutton (Coventry City Council)
Cllr Angela Sandison (Solihull MBC)

Trade Union observers:

Malcolm Cantello (Unison)
Alan Phillips (GMB)

Employees

Geik Drever	Strategic Director of Pensions - West Midlands Pension Fund
Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
David Evans	Head of Portfolio, Passive Equities, West Midlands Pension Fund
Rachel Howe	Head of Governance - West Midlands Pension Fund
David Kane	Head of Finance - West Midlands Pension Fund
Mark Taylor	Director of Finance and Section 151 Officer

Part 1 – items open to the press and public

Item No. Title

1 Apologies for absence (if any)

Apologies for absence were submitted on behalf of Cllr Steve Booton (Birmingham City Council), Ian Smith and Martin Clift (Unite).

2 Substitute members

No notifications of substitute members were received for the meeting.

3 Declarations of interest (if any)

No declarations of interests were made.

4 Minutes of the previous meeting - 22 June 2016

Resolved:

That the minutes of the previous meeting held on 22 June 2016 be approved as a correct record and signed by the Chair.

5 Matters arising

Referring to Minute 8 (Economic and market update), Geik Drever, Strategic Director of Pensions reported that the Investment Advisory Panel had been in discussions following the outcome of the EU Referendum on 23 June 2016. The risks and opportunities would be kept under review as the situation and path of exit develops.

6 Exclusion of the press and public

Resolved:

That in accordance with Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business as they involve the likely disclosure of exempt information falling within the paragraph 3 of Schedule 12A of the Act.

Part 2 - exempt items, closed to press and public

7 Economic and Market Update - September 2016

David Evans, Head of Portfolio, Passive Equities presented a report which summarised the key elements of the review of the global economy and investment markets produced by the Fund's Investment Advisers Hymans, Robertson.

Resolved:

That the global economic and market update paper prepared by the Fund's adviser, Hymans Robertson be noted.

8 Asset allocation and investment performance - quarter two 1 April to 30 June 2016

David Evans, Head of Portfolio, Passive Equities summarised the key elements of the quarterly asset allocation and investment monitoring.

During the ensuing discussion on cash deployment, Geik Drever, Strategic Director of Pensions reported on the asset classes where the Fund's cash holdings had been deployed during the quarter.

The Strategic Director also responded to the Sub Committee's questions on the performance of global equities external funds compared to the in-house portfolio confirming that the in-house active manager had a different strategy and it was still early days to assess performance.

Resolved:

That the contents of the asset allocation and investment monitoring report for the quarter ended 30 June 2016 be noted.

9 **West Midlands Integrated Transport Authority (WMITA) Pension Fund asset allocation and investment monitoring - 30 June 2016**

David Evans, Head of Portfolio, Passive Equities summarised the key elements of the quarterly asset allocation and investment monitoring report for the WMITA Fund. The Fund had performed well during the quarter, increasing in its value and outperforming against its benchmarks.

Resolved:

That the contents of the asset allocation and investment monitoring report for the period ended 31 March 2016 be noted.

10 **US dividend aristocrats index**

David Evans, Head of Portfolio, Passive Equities presented a report on an overview of the implementation of the Fund's US S&P 500 Dividend Aristocrats index fund.

Responding to questions, the Head of Portfolio explained why this particular index fund had been selected as opposed to the other index strategies that could have been pursued. Geik Drever, Strategic Director for Pensions added that the Dividend aristocrats index had a good track record and research was being undertaken into other available index strategies.

Resolved:

That the implementation of the Fund's in house US S&P 500 Dividend Aristocrats index fund carried out during the third quarter of 2016 be noted.

11 **Cleveland planning application update**

Mike Hardwick, Head of Portfolio, Alternatives and Fixed Interests presented an update report on the planning application process for the 821 homes on the Fund's agricultural land in Cleveland.

The Sub Committee discussed the proposed next stages planning process.

Resolved:

That the report be noted.

12 **Direct property investment update**

The Sub Committee received an update on the Fund's property investment strategy for 2016 and related investment activity from CBRE Global Investors.

Resolved:

1. That the Fund's direct property investment update from CBRE Global Investors be noted.
2. That a more detailed presentation on the Fund's retail portfolio be presented to the Committee later in the year.

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Pensions Committee

7 December 2016

Report title	Responsible Investment Activities		
Originating service	Pension Services		
Accountable employee(s)	David Evans	Head of Portfolio	
	Tel	01902 552083	
	Email	David.Evans@wolverhampton.gov.uk	
Report to be/has been considered by	Jason Fletcher	Chief Investment Officer	
	Tel	01902 555780	
	Email	Jason.Fletcher@wolverhampton.gov.uk	

Recommendations for noting:

The Committee is asked to note:

1. The Fund's voting and LAPFF's engagement activity for the three months ending 30 September 2016, including Appendix 1.
2. The issues discussed by LAPFF are set in the Quarterly Engagement Report which is available on their website:
http://www.lapfforum.org/Publications/engagement/files/Q3_2016_QER_FINAL.pdf
3. An update on the Israeli-Palestinian engagement program and the outcome of shareholder resolutions on carbon management and climate change risk within the mining sector.
4. The arrangements being made for the re-tender of the Fund's Proxy Voting service provider and the LAPFF research and engagement partner.

1.0 Purpose

- 1.1 To inform the Pensions Committee of the work undertaken by the Investment team regarding their responsible investment activities between the period 1 July to 30 September 2016.

2.0 Background

- 2.1 The Fund has a longstanding policy of supporting good corporate governance in the companies in which it invests. The Fund will also challenge companies who do not meet either the standards set by their peers or reasonable expectations as measured by best practice. The Fund's approach is part of its overall investment management arrangements and its active responsible investment policy. There are two main areas of responsible investment that we focus on: **voting globally** and **engagement through partnerships**.

3.0 Responsible Investment Activities

Voting Globally

- 3.1 The Fund currently has its own bespoke UK voting policy which our voting provider, Pensions and Investments Research Consultants Ltd (PIRC), executes on our behalf. However, the Fund follows the voting advice of PIRC for European, US, Japanese and Pacific region company meetings.
- 3.2 The voting activity for the quarter across markets and issues can be found in Appendix 1. During the period the Fund voted at a total of 252 company meetings – 94 UK, 39 European, 41 North American, 47 Japanese, 9 Asia (excluding Japan), and the remaining 22 meetings predominantly located in Australia/New Zealand and South America. During this period there were 13 meetings where the Fund supported all the resolutions put forward by companies. Approximately 34.0% of the resolutions were not supported by the Fund. The largest number of resolutions that were opposed related to the independence of directors, the independence of the auditor or annual reports that failed to meet best practice.

Engagement through Partnerships

- 3.3 Our engagement program is predominantly implemented through the Fund's membership of the Local Authority Pension Fund Forum (LAPFF). The mission statement of the Forum is “to promote the investment interests of local authority pension funds and to maximise their influence as shareholders to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest, commensurate with statutory regulations”. LAPFF has a current membership of 65 public sector pension funds in the UK with combined assets of over £175 billion. LAPFF members regularly meet together to discuss environmental, social, and governance (ESG) issues and ways to promote high standards of corporate behaviour at investee companies.

- 3.4 A summary of LAPFF's engagement activities for the quarter are provided alongside the voting activity report in Appendix 1. The issues are set out in the Quarterly Engagement Report which is available on LAPFF's website:
- http://www.lapfforum.org/Publications/engagement/files/Q3_2016_QER_FINAL.pdf
- 3.5 Following a request by this Committee in 2014, LAPFF initiated a programme of engagement with companies that were suspected of producing or selling cluster munitions. This included a series of letters and follow-up conference calls. The programme was completed in November 2014 and based on its findings, the Pensions Committee decided not to exclude the companies from its investment portfolio. Since that time, two of the companies Singapore Technologies and Textron have issued statements stating that they have ceased the design, production and sale of cluster munitions.
- 3.6 However, as discussed at the last meeting of this Committee, the Fund recently received an enquiry regarding another portfolio company, Hanwha Corporation (Korea). It was alleged that this company was also involved in the manufacture of cluster munitions. Therefore the Fund has written to LAPFF to request that they approach this company and ascertain the extent of any involvement in the production or sale of cluster munitions and whether they have any responsible investment policies that regulate their involvement in this area.

Update on Israeli-Palestinian Engagement

- 3.7 Members will recall that in 2014, the Fund was approached by a group known as the Wolverhampton Palestine Solidarity Campaign (WPSC). Following this initial approach, the Committee agreed that the Fund would undertake a programme of engagement with five companies that were highlighted as benefiting from Israel's occupation of Palestinian land.

The engagement programme was carried out during 2015 and by the summer of 2016, it was confirmed that one of the companies had sold its business interests in Israel and three of companies had implemented human rights risk into their business processes in accordance with the UN Guiding Principles on Business and Human Rights.

As reported at the September committee, the one company still to implement the UN Guiding Principles on Business and Human Rights is Motorola. The company had previously indicated that they would be responsive to further dialogue on the issue.

Therefore, the Fund has written to Councillor Quinn, the chair of the LAPFF Committee requesting that engagement with the company should be continued to encourage and advocate compliance with the UN Guiding Principles. Councillor Quinn has agreed to have a scoping paper written to determine the merits of engagement with Motorola and this will now be considered at the next meeting of the Executive early in the New Year.

More recently, WPSC requested a further meeting with the Chair and the Leader. At this meeting, the Chair was able to provide an update on the engagement programme to date and to reiterate the Committee's decision not to divest its holdings in these companies but rather to engage with them and monitor their progress in dealing with the situation. It was also suggested that WPSC reach out to other local authority pension funds to review the actions that they have taken regarding this issue.

WMPF Voting Services

- 3.8 Members will recall that the contract to provide proxy voting services for the Fund held for a number of years the Pensions and Investments Research Consultants Ltd (PIRC) is due to end on 31 March 2017.
- 3.9 PIRC were last appointed in 2012, under a five year contract with the option to extend for a further two years. PIRC have agreed to arrange for a 12 month extension to the contract to take effect from 1 April 2017 and the Council's procurement team will arrange for a notice to this effect to appear in OJEU.

LAPFF Contract

- 3.10 As reported at the June meeting of the Pensions Committee, the current LAPFF contract is up for renewal as of 31 May 2017, and as the City of Wolverhampton Council manage the financial administration of LAPFF, the Fund is responsible for managing the re-tender process. The LAPFF executive has endorsed the use of the LGPS National Framework for Stewardship Advisory Services (subject to a successful launch), in order to complete the re-tender project in the most efficient and cost-effective fashion. The five-member sub-committee appointed by the LAPFF executive to run this project includes Geik Drever.
- 3.11 The Framework was launched on Monday 14 November, and the invitation to tender was sent to the suppliers listed on the Framework on the same date. The tender responses will be evaluated (with clarification interviews, if required, held in mid-December) and the sub-committee will report to the LAPFF executive on 18 January 2017, at which point the recommended service provider will be agreed; Geik Drever will then report to a special meeting of the Pensions Committee on 7 February 2017, at which the service provider will be approved.

4.0 Financial implications

- 4.1 The promotion of good corporate governance amongst companies in which the Fund invests is complementary to the Fund's objective of maximising financial returns, as it is widely believed that good corporate governance improves shareholder value in the long term.

5.0 Legal implications

6.1 This report contains no direct legal implications.

7.0 Equalities implications

7.1 This report contains no equal opportunities implications.

8.0 Environmental implications

8.1 Environmental implications are addressed through the Fund's corporate governance policy.

9.0 Human resources implications

9.1 This report contains no direct human resources implications.

10.0 Corporate landlord implications

10.1 This report contains no direct corporate landlord implications.

11.0 Schedule of background papers

- LAPFF Quarterly Engagement Report July to September 2016:
http://www.lapfforum.org/Publications/engagement/files/Q3_2016_QER_FINAL.pdf

12.0 Schedule of Appendices

- Appendix 1 (Voting and Engagement Activity)

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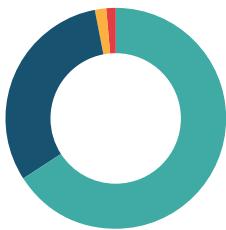
July to September 2016

Voting report

Over the last quarter, we voted at 252 meetings (2,802) resolutions. At 239 of those meetings, we opposed or abstained one or more resolutions. We supported management on all resolutions at 13 meetings.

Total

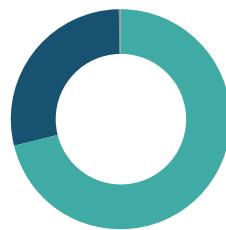
We voted at 252 meetings (2,802 resolutions) over the quarter.



■ Total resolutions voted in favour	65.9%
■ Resolutions where voted against or abstained	31.2%
■ Non-voting	1.6%
■ Withheld	1.3%

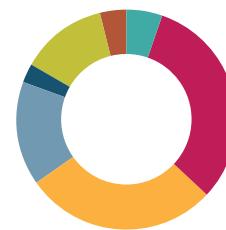
UK & British Overseas

We voted at 94 meetings (1,471 resolutions) over the quarter.



■ Total resolutions voted in favour	71.2%
■ Resolutions where voted against or abstained	28.8%

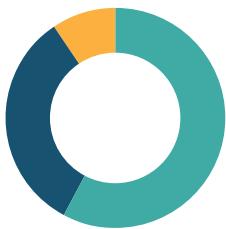
UK: votes against and abstentions by category



■ Remuneration	5.3%
■ Annual reports	31.7%
■ Directors	28.4%
■ Auditors	15.2%
■ Corporate donations	2.8%
■ Share capital	12.9%
■ Other	3.7%

Europe & Global EU

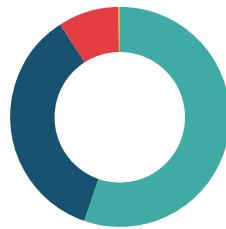
We voted at 39 meetings (393 resolutions) over the quarter.



■ Total resolutions voted in favour	58.0%
■ Resolutions where voted against or abstained	32.8%
■ Non-voting	9.2%

USA & Canada

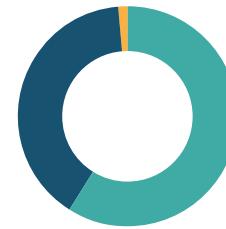
We voted at 41 meetings (409 resolutions) over the quarter.



■ Total resolutions voted in favour	55.3%
■ Resolutions where voted against or abstained	35.7%
■ Withheld	8.8%
■ Say on pay	0.2%

Asia

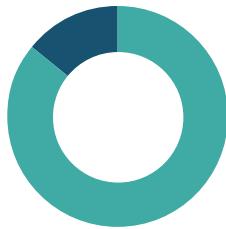
We voted at 62 meetings (379 resolutions) over the quarter.



■ Total resolutions voted in favour	59.1%
■ Resolutions where voted against or abstained	39.6%
■ Non-voting	1.3%

Japan

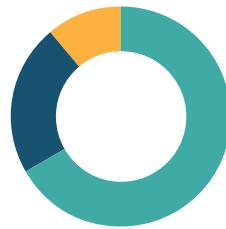
We voted at 9 meetings (115 resolutions) over the quarter.



■ Total resolutions voted in favour	86.1%
■ Resolutions where voted against or abstained	13.9%

South America

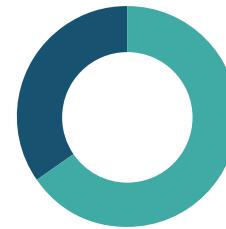
We voted at 4 meetings (9 resolutions) over the quarter.



■ Total resolutions voted in favour	66.7%
■ Resolutions where voted against or abstained	22.2%
■ Non-voting	11.1%

Rest of the World

We voted at 3 meetings (26 resolutions) over the quarter.



■ Total resolutions voted in favour	65.4%
■ Resolutions where voted against or abstained	34.6%

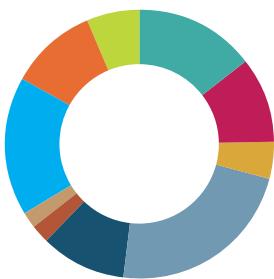


July to September 2016

Engagement summary

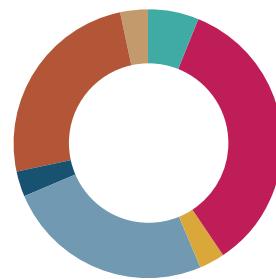
Over the last quarter, the Local Authority Pension Fund Forum (LAPFF) engaged with 32 companies on a range of environmental, social and governance issues on behalf of the Fund and other members. Where applicable, LAPFF will engage with companies on more than one issue simultaneously. The engagements included in these figures are supplementary to our voting-based engagements during proxy season.

Engagement by topics



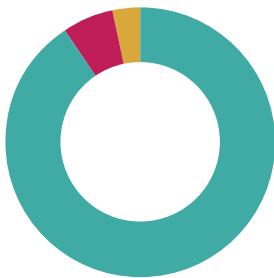
Climate change	14.6%
Employment standards	10.4%
Environmental risk	4.2%
Governance (general)	22.9%
Human rights	10.4%
Campaign (general)	2.1%
Supply chain management	2.1%
Board composition	16.7%
Remuneration	10.4%
Other	6.2%

Engagement by activities



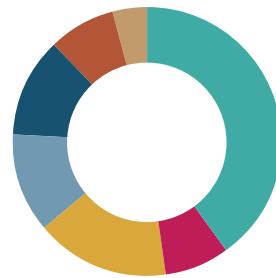
Collaborative engagement	6.3%
Meeting	34.4%
Other	3.1%
Attended AGM	25.0%
Alert issued	3.1%
Sent letter	25.0%
Received letter	3.1%

Engagement by domicile



United Kingdom	90.6%
UK/Netherlands	6.3%
United States	3.1%

Engagement by outcomes



Dialogue	40.0%
Change in process	8.0%
Small improvement	16.0%
Moderate improvement	12.0%
Awaiting response	12.0%
Satisfactory response	8.0%
Substantial improvement	4.0%

CITY OF
WOLVERHAMPTON
COUNCIL

Pensions Committee

7 December 2016

Report title	Service Plan Monitoring 2016/17 and Quarterly Accounts September 2016		
Originating service	Pension Services		
Accountable employee(s)	David Kane	Head of Finance	
	Tel	01902 554423	
	Email	david.kane@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood	Director of Pensions	
	Tel	01902 551715	
	Email	rachel.brothwood@wolverhampton.gov.uk	

Recommendation(s) for action or decision:

The Committee is recommended to note:

1. Performance against the Fund's key performance indicators as at the end of September 2016;
2. The forecast outturn against operating budgets as at the end of September 2016, which is an under spend of £7.0 million;
3. The quarterly accounts for the period ending 30 September 2016, which show that:
 - the value of West Midlands Pension Fund at this date was £13.3 billion, an increase of £1.6 billion from 31 March 2016;
 - the value of West Midlands ITA Pension Fund at this date was £487.0 million, an increase of £26.1 million from 31 March 2016.

1.0 Purpose

- 1.1 The purpose of this report is to update the Committee on performance against key performance indicators (KPIs), the forecast outturn for the year against operating budgets and quarterly accounts as at the end of September 2016.
- 1.2 The KPIs and operating budgets were approved by the Committee on 16 March 2016 as part of the Service Plan 2016-2021, a full copy of which can be found on the Fund's website: www.wmpfonline.com.

2.0 Performance Against Medium Term Plan

- 2.1 A summary of performance against KPIs is included in Appendix A, and an update on progress against Corporate Priorities is included in Appendix B. Performance against targets for issuing retirement quotations to members was impacted in the first few months of the year by late notification of statutory increase factors and the guidance from DCLG on the implementation of these. This affected the calculation of benefits for members retiring having left service in the year to 31 March 2016.
- 2.2 In recent months, performance against this measure has improved significantly (98.5% for the month of September alone), and is expected to continue to improve over the remainder of the year. Changes to other calculation factors and methodology have also, however, impacted other areas (mainly transfer quotations). The pensions administration system has now been updated and work is underway to address outstanding cases. The impact of performance will continue to be monitored closely.
- 2.3 Transfer out quotations and notification of benefits payments on death have also been impacted by the above issues during the quarter, but improvements in these were seen during September and these improvements are expected to continue for the remainder of the year.

3.0 Forecast Outturn Against Operating Budget 2016/17

- 3.1 The following table sets out the forecast outturn compared with the Fund's operating budget as at the end of the second quarter.

Budget Heading	Actual 2015/16 £000	Approved Budget 2016/17 £000	Forecast 2016/17 £000	Forecast Variance £000
Employees	4,226	5,405	4,995	(410)
Premises	290	294	290	(4)
Transport	63	48	28	(20)
Other Supplies and Services	523	610	675	65
Professional Fees	1,523	1,823	1,832	9
Communications and Computing	524	591	603	12
Support Services	448	515	515	-
Miscellaneous Income	(500)	(5)	(5)	-
Net Expenditure	7,097	9,281	8,933	(348)
External Investment Management Costs	68,585	72,800	66,128	(6,672)
Total	75,682	82,081	75,061	(7,020)
Funded by:				
West Midlands Pension Fund	74,917	81,331	74,215	(7,116)
West Midlands ITA Pension Fund	765	750	846	96 *
Total	75,682	82,081	75,061	(7,020)

* Note: the forecast variance for the ITA Pension Fund arises entirely on external investment manager fees. The charge from West Midlands Pension Fund for the administration of the ITA Fund is forecast to be in line with budget.

- 3.2 Forecasts have been made using a combination of reviewing spend to date and considering plans for the remainder of the financial year. A prudent approach has been taken in forecasting the cost of those plans, and the figures set out above are therefore likely to be subject to change by year-end.
- 3.3 The forecast under spend on staffing budgets (£446,000) is due to posts being vacant, or in the process of being recruited to, during the year to date. In addition, there are forecast savings across a range of other headings, reflecting the inclusion of up-to-date information and forecasts.

- 3.4 As at the end of September 2016, investment management costs are forecast to be £6.7 million under budget, reflecting the on-going work to streamline portfolio management arrangements. However, since these are heavily influenced by market movements and investment performance, this is particularly subject to change during the remainder of the year.
- 3.5 Taking into account internal investment management costs and fees and other costs deducted at source by fund managers, total investment management costs are forecast to be £67.8 million, as follows:

	Actual 2015/16 £000	Forecast 2016/17 £000
External Costs:		
- Invoiced	7,383	8,424
- Deducted at Source	60,587	57,008
Total External Investment Management Costs	67,970	65,432
Internal Investment Management Costs	1,844	2,329
Total Investment Management Costs	69,814	67,761

- 3.6 Cost-per-member is a critical measure for the Fund of its cost-effectiveness. The following table sets out the forecast cost-per-member compared to budget, using the three standard headings specified by CIPFA: administration, oversight and governance, and investment management. These figures are stated for West Midlands Pension Fund only, reflecting the £150,000 recharge to the ITA Fund. The forecast cost-per-member is lower than budgeted for each of the three headings.

	2015/16 Actual	2016/17 Budget	2016/17 Forecast
Total Administration Costs (£000)	3,310	4,186	3,907
Administration Cost per Member (£)	11.50	14.58	13.28
Total Oversight and Governance Costs (£000)	1,792	2,580	2,548
Oversight and Governance Cost per Member (£)	6.22	8.98	8.66
Number of Members	287,874*	287,166**	294,160***
Total Administration, Oversight and Governance Cost per Member (£)	17.72	23.56	21.94
Total Investment Management Costs (£000)	69,814	74,566	67,761
Investment Management Cost per Member (£)	242.52	259.66	230.35
Investment Management Cost as a Percentage of Investment Assets	0.60%	0.62%	0.51%

* As at 31 March 2016

** As estimated for purpose of 2016/17 budget preparation.

*** As at 30 September 2016

- 3.7 The Fund, like all public sector bodies, continues to be cost-conscious, and keeps its operating costs and procedures under continuous review.

4.0 Quarterly Accounts – West Midlands Pension Fund

- 4.1 Appendix C provides a Fund Account for the half-year ending 30 September 2016, and a Net Assets Statement as at that date.
- 4.2 The Net Assets Statement provides a value for the Fund at 30 September 2016 of £13.3 billion. This is an increase of £1.6 billion from the 31 March 2016 value.

- 4.3 These quarterly accounts have been prepared using a number of key assumptions, which are set out below:
- Past Service Deficit Contributions for the year have been recognised in full in the first quarter (meaning that the contributions income shown in the Fund Account is significantly more than one half of the total amount that will be due for the year);
 - Management expenses have been calculated on an accruals basis, being equal to one half of the forecast net cost for the year.
 - Investment income has been calculated based on income due for the period.
- 4.4 The main reason for the increase in the value of the Fund for the year so far is gains in the value of investment assets, the net gain over the period being £1.4 billion.
- 4.5 It should be noted that the figure for current liabilities at 30 September 2016 is much higher than the 31 March 2016 equivalent: this is almost entirely due to early payment of contributions, recognised as receipts in advance. Of the £63.0 million current liabilities, £34.7 million is receipts in advance; of this, £33.0 million is represented by four councils. Over the remainder of the financial year, this will unwind and current liabilities will reduce.

5.0 Quarterly Accounts – West Midlands ITA Pension Fund

- 5.1 Appendix D provides a Fund Account for the half-year ending 30 September 2016, and a Net Assets Statement as at that date.
- 5.2 The Net Assets Statement provides a value for the Fund at 30 September 2016 of £487.0 million. This is an increase of £26.1 million from the 31 March 2016 value.
- 5.3 As with West Midlands Pension Fund, the main reason for the increase in the value of the Fund for the year so far is gains in the value of investment assets (£26.4 million).

6.0 Financial implications

- 6.1 The financial implications are discussed in the body of the report.

7.0 Legal implications

- 7.1 This report contains no direct legal implications for the authority.

8.0 Equalities implications

- 8.1 This report has no equalities implications.

9.0 Environmental implications

9.1 This report has no environmental implications.

10.0 Human resources implications

10.1 The report has no human resources implications.

11.0 Corporate landlord implications

11.1 This report has no corporate landlord implications.

12.0 Schedule of background papers

- Service Plan 2016-21, Report to Pensions Committee, 16 March 2016

13.0 Schedule of Appendices

13.1 Appendix A – Key Performance Indicator Monitoring September 2016

13.2 Appendix B – Update on Corporate Priorities as at September 2016

13.2 Appendix C – West Midlands Pension Fund Quarterly Accounts 30 September 2016

13.3 Appendix D – West Midlands ITA Pension Fund Quarterly Accounts 30 September 2016

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Objective Reference	No	Freq	Description	Target	Lead Officer	Actual (Score and RAG)	Reporting Period	Previous Score	Date Last Reported	Improvement/Deterioration	
Appendix A											
D	1		IMPROVE FUNDING LEVEL								
	A		Funding level to increase from current levels of 70%	>70%	GD	● 75.0%	31/03/13	● 75.0%	31/03/10	➡ 0.0%	
TRANSFERS IN											
	M		Transfer in quotations processed within 10 days of receiving all the required information	90%	RB	● 100.0%	Apr 16 - Sep 16	● 100.0%	Apr 16 - Jun 16	➡ 0.0%	
			Transfer notification of transferred in membership to be notified to the scheme member within 10 days of receiving payment	90%		● 95.2%		● 94.1%		↑ 1.1%	
TRANSFERS OUT											
	M		Transfer out quotations processed within 20 days	90%	RB	● 53.1%	Apr 16 - Sep 16	● 90.0%	Apr 16 - Jun 16	⬇ -36.9%	
			Transfer out payments processed within 10 days	90%		● 64.1%		● 63.6%		↑ 0.5%	
RETIREMENTS											
	M		Retirement options to members within 15 days	90%	RB	● 5.8%	Apr 16 - Sep 16	● 7.8%	Apr 16 - Jun 16	⬇ -2.0%	
			Notification of the actual retirement benefits will be issued to the scheme member within 5 days following receipt of the required information.	90%		● 96.1%		● 95.0%		↑ 1.1%	
			New retirement benefits processed for payment following receipt of election within 5 days	90%		● 91.4%		● 88.4%		↑ 3.0%	
DEFERRED RETIREMENTS											
	M		Retirement options to members within 15 days	90%	RB	● 81.3%	Apr 16 - Sep 16	● 76.0%	Apr 16 - Jun 16	↑ 5.3%	
			Notification of the actual retirement benefits will be issued to the scheme member within 5 days following receipt of the required information.	90%		● 96.1%		● 96.7%		⬇ -0.6%	
			New retirement benefits processed for payment following receipt of election within 5 days	90%		● 92.1%		● 91.0%		↑ 1.1%	
DEATHS											
	M		Acknowledgement of a death within 5 days of receiving the notification.	90%	RB	● 91.0%	Apr 16 - Sep 16	● 91.1%	Apr 16 - Jun 16	⬇ -0.1%	
			Notification of benefits payable to dependents will be issued within 5 days of receiving the required information	90%		● 47.3%		● 49.0%		⬇ -1.7%	
			Payment of death lump sum will be made within 10 days of receipt of all the required information.	90%		● 98.8%		● 98.8%		➡ 0.0%	
EMPLOYER AND MEMBER SERVICE - CALLS											
	M		85% of calls received to the customer helpline to be answered.	85%	ST	● 87.6%	Apr 16 - Sep 16	● 88.0%	Apr 16 - Jun 16	⬇ -0.4%	
			85% of calls received to the employer helpline to be answered.	85%	ST	● 95.1%	Apr 16 - Sep 16	● 94.9%	Apr 16 - Jun 16	↑ 0.2%	
CUSTOMER SATISFACTION/SURVEY											
	Q		Overall <u>member</u> satisfaction score for employers to be 85%.	85%	RB	● 96.4%	Apr 16 - Sep 16	N/A	Apr 16 - Jun 16	N/A	
			Overall <u>employer</u> satisfaction score for employers to be 90%.	90%	RB	● 100.0%	Apr 16 - Sep 16	● 100.0%	Apr 15 - Mar 16	N/A	
INVESTMENT RETURNS/OVERALL FUND PERFORMANCE											
	M		Returns to be 0.5% above the benchmark (3 Yr Rolling) (West Midlands Pension Fund)	VARIANCE +/- 1%	GD/Heads of Portfolios	BENCHMARK 9.59%	Sep-16	BENCHMARK 7.80%	Jun-16	0.46%	
						ACTUAL 11.66%		ACTUAL 9.41%			
	M		Returns to match the benchmark (3 Yr Rolling) (ITA Fund)	VARIANCE + 0%		RELATIVE 2.07%		RELATIVE 1.61%			
						BENCHMARK 8.83%		BENCHMARK 7.41%			
	M			VARIANCE + 0%		ACTUAL 9.15%		ACTUAL 7.51%	Jun-16	0.22%	
						RELATIVE 0.32%		RELATIVE 0.10%			
BENEFIT STATEMENTS											
			ABS issued to 90% of eligible active members by 31st August 2016	90%		● 82.0%	Aug-16	● 81.0%	Oct-15	↑ 1.0%	

Objective Reference	No	Freq	Description	Target	Lead Officer	Actual (Score and RAG)	Reporting Period	Previous Score	Date Last Reported	Improvement/Deterioration
C	6	A	DBS issued to 85% of eligible deferred members by 31st August 2016	85%	RB	99.0% ●	Aug-16	98.0% ●	Jul-15	▲ 1.0%
CONTRIBUTIONS RECEIVED										
A	7	M	Main Fund 98% (total value) of contributions to be received by the due date.	98%	DK	98.2% ●	Sept 16	99.0% ●	June 16	▼ -0.8%
			Travel Fund 98% (total value) of contributions to be received by the due date.	98%		97.6% ●	Sept 16	97.6% ●	June 16	→ 0.0%
CLEAN AUDIT REPORT										
A	8	A	Receive an unqualified audit opinion from the Main Funds external auditors	Clean Report	DK	Yes ●	Year to 31/03/2016	Yes ●	Year to 31/03/2015	
			Annual audit returns no significant findings	0 significant findings		0 ●		0 ●		→ 0
			Receive an unqualified audit opinion from the Travel Funds external auditors	Clean Report		Yes ●	Year to 31/03/2016	Yes ●	Year to 31/03/2015	
			Annual audit returns no significant findings	0 significant findings		0 ●		0 ●		→ 0
EXTERNAL ACCREDITATION										
A	9	M	The Fund to be shortlisted for 75% of the awards in which it is entered	75%	RH	Applications 10 No. Pending 4 No. Shortlisted 6 Percentage Shortlisted 100% ●	Apr 16 - Sep 16	Applications 5 No. Pending 1 No. Shortlisted 4 Percentage Shortlisted 100% ●	Apr 16 - Jun 16	→ 0.0%
			M			Retain CSE, IIP and CIPFA Governance accreditations	100%	RH	100% ●	Apr 16 - June 16
SICKNESS ABSENCE										
A	10	M	Average number of days lost to sickness per FTE member of staff. Sickness absence to be under 6 days per annum per member of staff.	6 days	ALL	5.2 ●	Apr 16 - Sep 16 (Projection)	4.5 ●	Apr 16 - Jun 16 (Projection)	▼ 0.7
COST PER MEMBER										
A	11	Q	Administration and governance cost per member.	£22	ALL	£21.94 ●	Sep 16 (Forecast)	£22.24 ●	Jun 16 (Forecast)	▲ -£0.30
TRAINING HOURS										
A	12	Q	Average CPD per Fund employee to be 22 hours or more per year.	22 hours	ALL	32.3 ●	Apr 16 - Sep 16 (Projection)	29.6 ●	Apr 16 - Jun 16 (Projection)	▲ 2.7
DATA QUALITY										
A	13	Q	Invalid or temporary NI number	<1%		0.28% ●	May-16	0.25% ●	Sep-15	▼ 0.03%
			Member has no address	<5%		1.12% ●		4.14% ●		▲ -3.02%
			Member is active but has not received contributions for 12 months	<1%		N/A		0.00% ●		N/A
			Non Active member with missing date of leaving	<1%		0.04% ●		0.40% ●		▲ -0.36%
			Active Member has no earnings in last 12 months	<1%		N/A		4.64% ●		N/A
			No entries in basic/pensionable/other salary	<1%		1.24% ●		1.37% ●		▲ -0.13%
			Member has no Contribution History	<5%		5.68% ●		4.24% ●		▼ 1.44%
TRUSTEE TRAINING AND PENSIONS BOARD										
A	14	M	Satisfaction rate from feedback of trustee training/pension board events to be 90%.	90%	RH	96.0% ●	Apr 16 - Sep 16	100.0% ●	Apr 16 - Jun 16	▼ -4.0%
			Attendance rate of trustees/board members at training events.	85%		83.3% ●	Apr 16 - Sep 16	85.7% ●	Apr 16 - Jun 16	▼ -2.4%
			Amount of training provided to trustees/board members during the year.	22 hours		49.0 ●	Apr 16 - Sep 16 (Projection)	16.0 ●	Apr 16 - Jun 16 (Projection)	▲ 33.0
STAFF TURNOVER										
A	16	M	Staff turnover to be between 5-10% in a financial year	5% - 10%	RH	21.4% ●	Apr 16 - Sep 16	15.0% ●	Apr 16 - Jun 16	▼ 6.4%
AVAILABILITY OF ONLINE SERVICES										
A	17	M	Website and web portal to be available 95% of the time (based on working hours as monitored)	95%	RH	97.1% ●	Apr 16 - Sep 16	95.4% ●	Apr 16 - Jun 16	▲ 1.7%
			Number of occurrences web portal is unavailable	Fewer than 10 per month		7.0 ●	Apr 16 - Sep 16	9.3 ●	Apr 16 - Jun 16	▲ -2.3

<u>Objective Reference</u>	<u>No</u>	<u>Freq</u>	<u>Description</u>	<u>Target</u>	<u>Lead Officer</u>	<u>Actual (Score and RAG)</u>	<u>Reporting Period</u>	<u>Previous Score</u>	<u>Date Last Reported</u>	<u>Improvement/Deterioration</u>
		M	Number of members predicted to be registered on web portal by 31 March 2016	75,000		🟡 45,112	Sep-16	🟡 43,073	Jun-16	⬆️ 2,039
A	18		QUARTERLY ACCOUNTS							
		Q	Days taken to prepare quarterly accounts	20 days	DK	🟡 20.5 days	Sep-16	🟢 20 days	Jun-16	⬇️ 0.5
A	19		QUALIFICATIONS							
		Q	At least 75% of staff to hold a relevant qualification	75%	ALL	🟡 62.1%	Sep-16	🟡 64.9%	Jun-16	⬇️ -2.8%
A	20		COMPLAINTS MONITORING							
		M	All complaints to be completed within 20 working days of receipt	100%	RH	🟡 95.3%	Apr 16 - Sep 16	🟡 94.9%	Apr 16 - Jun 16	⬆️ 0.4%

OBJECTIVES KEY

A	To be a leading performer in the LGPS sector
B	To achieve target investment returns
C	To provide excellent customer service
D	To ensure the solvency of the Fund and its ability to pay pensions

FREQUENCY KEY

A	Annual
Q	Quarterly
M	Monthly

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West Midlands Pension Fund Corporate Priorities 2016 – 2021

Progress Update September 2016

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
3, 4	Review and implement the funding strategy, in the context of the requirement to ensure solvency and employer affordability constraints to deliver actuarial valuation 2016	2016 – 2017	<ul style="list-style-type: none"> • Delivery in line with project plan • New contribution certificate implemented by April 2017 	<ul style="list-style-type: none"> • Review of the funding strategy is in progress • Preliminary valuation results have been issued to employers • Consultation running until 31st January 2017
2, 4	Implement and monitor the investment strategy	2016 – 2021	<ul style="list-style-type: none"> • Investment returns • Funding level 	<ul style="list-style-type: none"> • Out-performance for the quarter will contribute to improving the funding level. • Return for financial year to date 13.4%.
1, 4	Reduce the cost of managing our investments	2016 – 2017	<ul style="list-style-type: none"> • Cost of investment management as a percentage of assets 	<ul style="list-style-type: none"> • Investment management costs (exc. transaction cost) as forecast at Q2 are estimated to be 51 bps, compared to 58 bps for 2015/16. • Continuing to review externally-managed investments for value-for-money.

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
1, 4	Demonstrate cost efficiency in our dealings with members and employers, including exploring opportunities to generate revenue to reduce net administration costs	2016 – 2021	<ul style="list-style-type: none"> • Cost-per-member • Contributions received percentage • Days taken to prepare quarterly accounts 	<ul style="list-style-type: none"> • Income received from LAPFF for services of Fund's Graphic Designer • Cost per member as forecast at Q2 stands at £21.94, below the target of £22.00.
4	Develop the existing covenant monitoring framework to support risk monitoring and enable early engagement on affordability issues and employer exit costs	2016 – 2018	<ul style="list-style-type: none"> • Covenant risk reporting • Trigger-based engagement 	<ul style="list-style-type: none"> • Covenant framework reviewed and updated with additional information. • Metrics collated to inform on-going monitoring and valuation process. • Preliminary employer covenant risk band allocation has been issued with preliminary valuation reports.

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
3	Provide the highest standards of customer care to our employers and members	2016 – 2021	<ul style="list-style-type: none"> • Customer satisfaction survey • Employer and Member Services calls • Availability of online services • IDRP and complaints monitoring 	<ul style="list-style-type: none"> • Employer survey being re-written for presentation to AGM. • Customer engagement strategy reviewed for December committee • New process for IDRP monitoring by compliance • Availability of online services up in the KPIs
3	Develop customer engagement with both members and employers	2016 – 2019	<ul style="list-style-type: none"> • Customer satisfaction survey 	<ul style="list-style-type: none"> • Customer engagement strategy being developed and presented to December committee • Review of pensioner engagement being undertaken due to closure of club together.
1,3	Demonstrate achievement of the highest standards in everything that we do through external audit, accreditation and awards	2016 – 2021	<ul style="list-style-type: none"> • Reaccreditation and shortlisting for awards • Clean audit report 	<ul style="list-style-type: none"> • Shortlisted for every award entered • Won two awards in the last quarter • IIP accreditation in Feb “going for gold” • Clean audit report achieved for year ending March 2016

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
1,3	Ensure that our staff, trustees and board members have access to high quality training to ensure that they have the right skills and knowledge, and are highly motivated	2016 – 2021	<ul style="list-style-type: none"> • Training hours • Qualifications • Staff sickness • Staff turnover • Trustee attendance 	<ul style="list-style-type: none"> • Workforce development strategy drafted • Trustee training hours monitoring quarterly on course to meet yearly target • Internal movements of staff show development working well • All spaces on trustee conferences booked
1,4	Review and develop people and processes to ensure operational flexibility and efficient, high quality service delivery	2016 – 2021	<ul style="list-style-type: none"> • Skills matrix • Fund-wide briefings • Delivery of the process review plan 	<ul style="list-style-type: none"> • Workforce development strategy • Staff briefings • Review of staff appraisal, visiting external organisations
1,3	Continue to develop the Fund's electronic business model to improve data quality and ensure continued cost efficiencies	2016 – 2019	<ul style="list-style-type: none"> • Web portal registration numbers • Delivery of more frequent bulk data exchange (eg, monthly return) 	<ul style="list-style-type: none"> • Working with City of Wolverhampton Communications team for the Mail marketing system to improve electronic communications and gain better data

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
3,4	Monitor and improve membership data cleanliness, working with employers to improve the timeliness and quality of data received and reduce the number of outstanding data items	2016 – 2018	<ul style="list-style-type: none"> • Monitoring against statutory record-keeping requirements • Progress against data improvement plans • Monitoring and reporting on employer performance • Employer coaching and feedback 	<ul style="list-style-type: none"> • Work continuing in liaison with employers to improve data ahead of move to monthly returns.
3	Complete, as far as possible, the process of reconciling Fund GMP data with HMRC records	2016 – 2018	<ul style="list-style-type: none"> • Delivery of phased review in line with project plan before December 2018 	<ul style="list-style-type: none"> • Phase one, reconciliation, is well underway with queries analysed and to be issued to HMRC before the year-end.

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WEST MIDLANDS PENSION FUND ACCOUNTS FOR THE HALF-YEAR ENDING 30 SEPTEMBER 2016

Fund Account

2015/16		Q2 2016/17
	£m	£m
	Contributions & Benefits	
(504.3)	Contributions Receivable	(382.2)
(11.1)	Transfers In	(5.5)
(15.5)	Other Income	(11.3)
(530.9)	Total Contributions and Other Income	(399.0)
514.7	Benefits Payable	260.3
35.6	Payments To and On Account of Leavers	4.8
0.3	Other Payments	0.2
550.6	Total Benefits and Other Expenditure	265.3
74.9	Management Expenses	37.1
	Returns on Investments	
(168.6)	Investment Income	(118.4)
429.4	Changes in Value of Investments	(1,287.2)
(552.1)	Profits and Losses on Disposal of Investments	(144.2)
(291.3)	Net Return on Investments	(1,549.8)
(196.7)	Net (Increase)/Decrease in the Fund During the Period	(1,646.4)
11,464.0	Net Assets of the Fund at the Beginning of the Period	11,660.7
11,660.7	Net Assets of the Fund at the End of the Period	13,307.1

WEST MIDLANDS PENSION FUND ACCOUNTS FOR THE HALF-YEAR ENDING 30 SEPTEMBER 2016

Net Assets Statement

31 March 2016		30 September 2016
	£m	£m
	Investment Assets (at Market Value)	
180.1	Fixed Interest Securities	197.1
1,036.2	UK Equities	1,195.1
4,137.2	Overseas Equities	5,028.1
4,921.5	Pooled Investment Vehicles	5,435.5
694.5	Property	720.0
171.1	Foreign Currency Holdings	168.7
459.8	Cash Deposits	554.3
35.7	Outstanding Dividend Entitlement and Recoverable With-Holding Tax	30.8
11,636.1	Investment Assets	13,329.6
(2.6)	Investment Liabilities	(63.9)
11,633.5	Net Investment Assets	13,265.7
12.6	Other Long-Term Assets	12.6
52.6	Current Assets	91.8
(38.0)	Current Liabilities	(63.0)
11,660.7	Net Assets of the Fund at the End of the Period	13,307.1

WEST MIDLANDS ITA PENSION FUND ACCOUNTS FOR THE HALF-YEAR ENDING 30 SEPTEMBER 2016

Fund Account

	2015/16 £000	Q2 2016/17 £000
	Contributions & Benefits	
(10,482)	Contributions Receivable	(4,814)
(65)	Transfers In	-
(2,766)	Other Income	(1,344)
(13,313)	Total Contributions and Other Income	(6,158)
28,829	Benefits Payable	14,432
457	Payments To and On Account of Leavers	-
6	Other Payments	6
917	Management Expenses	459
30,209	Total Benefits and Other Expenditure	14,897
	Returns on Investments	
(18,161)	Investment Income	(8,478)
2,440	(Profits) and Losses on Disposal of Investments and Changes in Value of Investments	(26,400)
12,846	(Increase)/Decrease in Value of Bulk Annuity Insurance Buy-In	-
(2,875)	Net Return on Investments	(34,878)
14,021	Net (Increase)/Decrease in the Fund During the Period	(26,139)
474,886	Net Assets of the Fund at the Beginning of the Period	460,865
460,865	Net Assets of the Fund at the End of the Period	487,004

WEST MIDLANDS ITA PENSION FUND ACCOUNTS FOR THE HALF-YEAR ENDING 30 SEPTEMBER 2016

Net Assets Statement

	31 March 2016 £m	30 September 2016 £m
	Investment Assets (at Market Value)	
207,731	Investment Assets	234,562
250,874	Bulk Annuity Insurance Buy-In	250,874
2,746	Current Assets	2,159
(486)	Current Liabilities	(591)
460,865	Net Assets of the Fund at the End of the Period	487,004

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Pensions Committee

7 December 2016

Report title	Risk and compliance monitoring 1 July 2016 – 30 September 2016		
Originating service	Pension Services		
Accountable employee(s)	Jennifer Picken Tel Email	Compliance and Risk Officer 01902 552092 jennifer.picken@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 551715 rachel.brothwood@wolverhampton.gov.uk	

Recommendations for action or decision:

The Committee is recommended to approve:

1. Safeguarding policy (appendix 3)
2. Information Asset Register policy (appendix 4)

Recommendations for noting:

The Committee is asked to note:

1. The Fund's adherence to the Information Governance Toolkit.
2. The top ten risks for West Midlands Pension Fund (appendix 1 & 2)
3. The compliance issues that have arisen during the quarter and the resolutions put in place.
4. The Fund's continued development of compliance monitoring against the Pensions Regulator's Code of Practice

1.0 Purpose

- 1.1 To provide an update to the Pensions Committee on the Fund's risk register and quarterly compliance monitoring program.
- 1.2 To seek approval for a new Safeguarding policy and Information Asset Register.
- 1.3 To present an update on the work undertaken by the Fund on the compliance monitoring set against the Pension Regulator's Code of Practice.

2.0 Risk register

- 2.1 The Fund's top ten risks are shown in Appendix 1. Detailed risk registers are separately maintained for each department of the Fund by Compliance.
- 2.2 The Fund's risks are assessed using a 5 x 5 scoring matrix to decide how likely they are to occur and how much of an impact they would have; the matrix is shown in Appendix 2.
- 2.3 Amendments were made to the register during the period to update progress and the addition of any new risks.
- 2.4 Actions taken by the Fund in relation to its top 10 risks this quarter are as follows;

Risk reference	Action
PA1	<ul style="list-style-type: none">• The Fund has continued to engage with employers on the drafting of the Pension Administration Strategy with it being presented to the AGM on 29 November.
PA2	<ul style="list-style-type: none">• The fund continues to develop its monitoring of employer covenants and risk assessments addressing those on the watch list through open face to face dialogue.
PA3	<ul style="list-style-type: none">• Work is ongoing to address outstanding data• Move to monthly returns to enable more frequent exchange of data and earlier identification of issues.• Plans for employers to directly load bulk data imports continue to be explored with software developers and individual employers
PA5	<ul style="list-style-type: none">• The Fund is engaging with external partners to ensure a full and complete analysis of data is completed.
PA7	<ul style="list-style-type: none">• The funding level is currently under review as part of the 2016 valuation.
I7	<ul style="list-style-type: none">• Control measures are in place to ensure the Fund reviews its currency benchmarks.

G1	<ul style="list-style-type: none">The dedicated team for data quality review and maintenance has now been fully established
G2	<ul style="list-style-type: none">No amendments – all controls implemented and still current.
G7	<ul style="list-style-type: none">No amendments – all controls implemented and still current.
F6	<ul style="list-style-type: none">All controls and values remain the same.

3.0 Compliance monitoring programme

- 3.1 The Fund has in place a monitoring programme, which aims to ensure its internal and external operations meet acceptable standards and best practice.
- 3.2 The programme is directly linked to the risk register; testing the effectiveness of the controls in place to manage and mitigate risks.
- 3.3 The results of the tests carried out for the July to September 2016 quarter are summarised below on an exception reporting basis.

3.4 Exception reporting

Out of all of the tests carried out, the following was found:-

3.4.1 Finance

During the period the monitoring identified late trade submissions. It was confirmed that the late trades were due to issues with either the custodian or the broker, and that the Fund actioned all trades within the required timescales. There was no detriment to WMPF. The Fund has a monthly telephone meeting with the custodian and will address the late trades requesting assurance as to the protocols they have in place.

3.4.2 Governance

There were 4 data protection breaches during the quarter, all of which were due to administration errors containing personal data. These were one-off cases due to human error and were reported to the Council in accordance with internal procedures. Relevant team managers have issued refresher training to staff and the Fund continues to engage with the City of Wolverhampton Council's Information Governance Team to ensure we comply with the Information Governance Agenda.

4.0 Regulator's code of practice

- 4.1 At its meeting on 9 December 2015, Pensions Committee received a report on the Pensions Regulators' Code of Practice and the proposal to implement a compliance monitoring program for the Fund to assess its standards of conduct and working practice against an agreed standard.
- 4.2 At that meeting, officers presented a Red, Amber, Green review of the Fund's compliance to the Code of Practice and since that time have been working on implementing a full monitoring program.

- 4.3 Having undertaken this work, the Fund has now re-assessed its adherence to the Code of Practice and has identified one area that remains Amber. This is in relation to the collation of information from employers. The Fund is undertaking a transition to monthly returns and on completion of this, are confident the assessment and all areas of compliance, will show as Green.

5.0 Safeguarding Policy

- 5.1 The Fund has undertaken a review of its processes for managing Adult Safeguarding to ensure it can collaborate with all partner authority safeguarding teams should a concern arise.
- 5.2 The policy outlines what safeguarding is, how to identify a potential safeguarding issue and the process to follow if an issue occurs (appendix 3).
- 5.3 Training has been given to all front facing Fund staff by the Safeguarding team from the City of Wolverhampton Council.

6.0 Information Governance Toolkit

- 6.1 The Fund undertook an exercise during 2015 to review its current information governance practices to ensure compliance with the legislation to ensure the robust management of information. In December 2015 the Fund appointed an external auditor who specialises in information governance to review the practices of the Fund and provide feedback on the Fund's compliance. The auditor confirmed that the Fund was operating at level 2 out of 3 and that it was operating at an acceptable standard in its information management. As previously reported to committee a work plan was put in place to assist the Fund to achieve level 3 out of 3.
- 6.3 One area of the workplan highlighted a need for the Fund to have an Information Asset Register, detailing what information the Fund holds and in what form. The Information Asset Management Policy formalises these practices and a copy is attached at Appendix 4.

7.0 Treasury Management and Debt Monitoring policies

- 7.1 During the last quarter, two new operational policies have been developed and implemented: the Treasury Management policy and the Debt Monitoring policy. These are consistent with the responsibilities set out in the Fund's constitution, and provide additional detailed guidance for staff working in these areas.

8.0 Financial implications

- 8.1 Financial implications are outlined in the body of the report.

9.0 Legal implications

- 9.1 The need for effective risk management is reflected throughout guidance and regulation in the LGPS, notably in Regulation 12(2) of the *Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009*.
- 9.2 The Pensions Committee, as the body charged with governance of the administering authority's pensions operations, takes the responsibility for ensuring that there is effective risk management over those operations.

10.0 Equalities implications

- 10.1 The new policies presented in appendix 3 and 4 have been assessed for equalities implications and there are no issues to report. Both the Safeguarding policy and the Information Asset Management policy do not affect any direct group in relation to equalities.

11.0 Environmental implications

- 11.1 This report contains no direct environmental implications.

12.0 Human resources implications

- 12.1 The report contains no direct human resource implications.

13.0 Corporate Landlord

- 13.1 There are no corporate landlord implications.

14.0 Schedule of background papers

- 14.1 Risk and Compliance Monitoring Report to Pensions Committee 9 December 2015
<https://wolverhamptonintranet.moderngov.co.uk/documents/s18319/Risk%20compliance%20monitoring%201%20July%20to%2030%20September%203015.pdf>

15.0 Schedule of Appendices

- 15.1 Appendix 1 – West Midlands Pension Fund Risk Register

Appendix 2 – Impact and likelihood key

Appendix 3 – Safeguarding policy

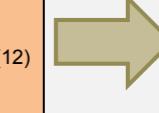
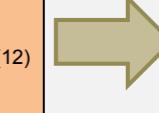
Appendix 4 – Information Asset Management Policy

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PENSIONS ADMINISTRATION RISKS																	
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)			Risk Movement	Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
In Top 20	To provide excellent customer service	Pensions Administration	PA1	The Pensions Administration Strategy (PAS) is not complied with by employers.	High (4)	Very high (5)	High (20)	1. Communication with employers at the Annual General Meeting (AGM) to ensure they understand the PAS and their requirements under it. The PAS is also sent out to employers for consultation (closes 25 November 2016).	Implemented	100%	High (4)	High (4)	High (16)		Annually	Dec 16	Director of Pensions
								2. Employers adherence to the PAS is monitored.	In progress	40%					Annually	Apr-17	
								3. PAS regularly reviewed and cleared by committee. (Draft went to September 2016 Committee and final to go in March 2017)	Implemented	100%					Annually	Mar 17	
								4. Monthly monitoring of contribution payments by Finance.	In progress	90%					Monthly	Dec 16	
In Top 20	To improve our funding level	Pensions Administration	PA2	Liabilities need to be orphaned across the Funds remaining employers in the event of an employer failing.	High (4)	High (4)	High (16)	1. All new employer bodies need to have a suitable guarantee/covenant in place prior to being admitted into the scheme	Implemented	100%	High (4)	Medium (3)	Medium (12)		Quarterly	Dec 16	Head of Client & Funding Management
								2. Monitoring is carried out on existing employers and the covenant strength is assessed and each employer is risk rated.	In progress	80%					Quarterly		
								3. Higher risk employers are monitored closely by the Employer Team	In progress	80%					Quarterly		
								4. Where there are concerns, the Fund opens dialogue with the relevant employers and where possible, arranges face-to-face meetings to explore their situation in more detail. Once the Fund has a more detailed understanding of the situation, it will discuss the possibility of the provision of additional security by those organisations to further strengthen their covenant. (College employers were completed in October 2016).	In progress	40%					Quarterly		
Page 53	To provide excellent customer service	Pensions Administration	PA3	Pension benefits are calculated with inaccurate or incomplete data (leading to under/overpayments)	Medium (3)	Very high (5)	High (15)	1. Robust process in place to ensure accuracy of calculations, including officer checking.	Implemented	100%	Medium (3)	High (4)	Medium (12)		Quarterly	Dec 16	Director of Pensions
								2. Induction training to ensure officers are suitably skilled, as well as regular staff training to raise awareness of the importance of data quality.	Implemented	100%					On-going	N/A	
								3. Data quality reviews of common and conditional data in place and reported to Committee half yearly in line with other TPR reporting requirements. Reviewed March 2016 and March 2015, next due March 2017 as part of TPR monitoring. Data quality updates also provided as a standard item on Pensions Committee agenda.	Implemented	100%					Quarterly	Dec 16	
								4. The PAS sets out expectations and requirements of employers in relation to data quality.	Implemented	100%					Annually	Mar 17	
								5. Communication with employers at AGM to stress the importance of complete and accurate data.	Implemented	100%					Annually	Dec 16	
								6. Data validation checks undertaken:- (a) by actuary at valuation	Implemented	100%					(a) Triennially	Mar 16	Director of Pensions
								(b) through National Fraud Initiative	Implemented	100%					(b) Every 2 years	Mar 18	
								(c) through Millennium Halo	Implemented	100%					(c) Monthly	Dec 16	
								7. Web portal in place for members to input their details directly	Implemented	100%					On-going	N/A	
Top 10	To provide excellent customer service	Pensions Administration	PA5	The Fund does not complete the Guaranteed Minimum Pension (GMP) reconciliation.	High (4)	Very high (5)	High (20)	8. Bulk data import in place for employers to load their joiners data	Implemented	100%	High (4)	High (4)	High (16)		Quarterly	Dec 16	Director of Pensions
								9. Plan to move bulk data import in progress for employers to load their	Proposed	0%					Quarterly	Dec 16	
								10. Individual member changes and individual early leavers data can be loaded straight to the Fund's system by employers.	Implemented	100%					Quarterly	Dec 16	
								1. A project is underway to achieve this by December 2018.	In progress	50%					Monthly	Dec 16	
								2. Initial analysis has been completed by ITM. - First stage completed.	Implemented	100%							
								3. The Fund has engaged Equiniti to do more analysis to identify the gaps. Equiniti report due end of Nov.	In progress	50%							
								4. Progress of the project is reported monthly to the Senior Management Team.									
								5. Report to Pensions Committee quarterly as part of the Pensions Administration report - December 2016.									

WEST MIDLANDS PENSION FUND RISK REGISTER

APPENDIX 1

Top 10	To improve our funding level	Pensions Administration	PA7	Future liabilities increase	High (4)	High (4)	High (16)	1. The Fund undergoes a triennial valuation, in conjunction with the Fund's actuary. Although liabilities will increase, controls are put in place to ensure assets keep pace with liabilities. The closer the match,	In progress	60%	Medium (3)	High (4)	Medium (12)		1. Triennially	Mar 16	Director of Pensions
								2. Life expectancy: Although there is no life expectancy hedging, a prudent allowance is built into the actuarial assumption, for life expectancy to improve.	In progress	60%					2. Triennially		
								3. Inflation and wage and salary inflation: The Fund invests in index-linked bonds and the PIP, which provides an index linked income stream.	In progress	60%					3. Triennially		
								4. Interest rates: Investment returns are monitored quarterly with liabilities in mind.	In progress	60%					4. Quarterly		
INVESTMENT RISKS																	
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)				Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
	All objectives	Investments	I7	The Fund's SIAB currency exposure does not meet the stated funding objectives.	Very high (5)	Medium (3)	High (15)	1. Adviser and internal staff to review currency exposure of benchmark v. the funding objectives, to present to Pensions Committee recommending an action to mitigate.	Proposed	0%	Very High (5)	Medium (3)	High (15)		Monthly	Dec-16	Chief Investment Officer
GOVERNANCE RISKS																	
Top 10	Objective at risk	Details of risk, including consequences			Assessment of risk (Assume NO controls in place)			Control	Status (e.g. implemented, in progress, proposed)	% Complete	Assessment of risk (Control measures in place)				Review frequency	Date of next review	Risk owner
		Area at risk	Risk ref.	Risk event	Impact	Likelihood	Risk rating				Impact	Likelihood	Risk rating				
Page 54	To become a top performing fund	Governance	G1	The Fund breaches Information Security and Data Quality regulations.	High (4)	Very high (5)	High (20)	1. Continuous staff training on data protection	Implemented	100%	Medium (3)	High (4)	Medium (12)		Annually	Dec 16	Head of Governance/ Director of Pensions
								2. In-depth training for senior managers on information governance	Implemented	100%							
								3. There is an information governance project underway in preparation for an information governance audit in December.	Implemented	100%							
								4. Data encryption and password protection	Implemented	100%							
								5. Use of file transfer protocol	Implemented	100%							
								6. All information security breaches are reported and any systemic issues are identified and corrected.	Implemented	100%							
								7. System back-up to protect against data loss.	Implemented	100%							
								8. A data improvement plan was taken to the Dec 15 PC and Jan 16 Pensions Board (PB) - plan now in action and being monitored by the Business Performance and Data team.	Implemented	100%							
								9. A dedicated data team is being set-up, as part of the Pensions Administration structure review	Implemented	100%							

WEST MIDLANDS PENSION FUND RISK REGISTER

Top 10	To become a top performing fund	Governance	G2	Lack of independence between the Fund, elected members and pension board representatives from their authorities, resulting in poor decision making	High (4)	High (4)	High (16)	1. Full trustee induction training is provided to members on joining the Pensions Committee and Pensions Board to inform them of their duties and responsibilities.	Implemented	100%	High (4)	Medium (3)	Medium (12)		Quarterly	Dec-16	Head of Governance
								2. There are sufficient numbers on the Committee to ensure that the Fund's interests are put before individual authorities.	Implemented	100%							
								3. Members are bound by codes of conduct.	Implemented	100%							
								4. Conflicts of interest policy in place for Pensions Committee and Pensions Board	Implemented	100%							
								5. All districts are represented and have voting powers.	Implemented	100%							
								6. Clear delegation of authority within the Council and the Fund's separate constitutions, setting out the roles and responsibilities of the Fund.	Implemented	100%							
								7. Conflicts of interest policy in place for Pensions Committee and Pensions Board.	Implemented	100%							
Top 10	All objectives	Governance	G7	Change in government policy/LGPS reforms	Very high (5)	High (4)	High (20)	1. The Fund keeps abreast of developments, participating in consultation and calls for evidence, and collaborating with other funds.	Implemented	100%	High (4)	High (4)	High (16)		Monthly	Dec-16	Director of Pensions
FINANCE RISKS																	
Top Ten	To provide excellent customer service	Finance	F6	Payment of pensions increase is not made	Very high (5)	Medium (3)	Medium (15)	1. Ensure testing of Civica software	1. Implemented - Pensioner PI - Deferred PI	100% 100%	Very high (5)	Low (2)	Medium (10)		Annual	Dec 16	Director of Pensions

IMPACT AND LIKELIHOOD KEY

Appendix 2

The Fund uses a 5-point scoring system to assess the likelihood and impact of the risks it identifies.

Likelihood	Definition	Scale	Value
Very high	Extremely likely to occur	71-99% chance	5
High	Fairly likely to occur	51-70% chance	4
Medium	Possible it may occur	31-50% chance	3
Low	Low but not impossible	11-30% chance	2
Very low	Very low but not impossible	Up to 10% chance	1

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Impact	Definition	Scale	Value
Very high	Cannot achieve one or more objectives	Showstopper	5
High	Large impact on objectives	Major shortfalls	4
Medium	Medium impact on objectives	Some shortfalls	3
Low	Low impact on objectives	A few shortfalls	2
Very low	Very low impact on objectives	Few shortfalls of a limited nature	1

Safeguarding Policy

Version Control:

Version	Reviewed by	Authorised by	Changes made	Date changed
1.0	Jen Picken	Rachel Howe	New policy	June 2016

1.0 Purpose

- 1.1. The Fund has a duty of care to report and record any concerns or safeguarding issues raised from any persons that come into contact with the Fund when operating its usual activities.

The purpose of this policy is to outline the process to be undertaken in the event of a concern of safeguarding for any persons who have contact with the Fund.

The policy will provide guidance as to what safeguarding triggers to look out for, possible approaches to take and how to log an issue or raised concern.

2.0 Scope

- 1.2. The aim of the policy is to provide a consistent approach to the way the Fund handles potential or actual safeguarding issues and concerns.
- 1.3. Persons who may come into contact with the Fund are as follows, but not limited to;
- Members
 - Active
 - Former members (I.e. left employment or moved their pension out to another scheme)Retired
 - Refund
 - Beneficiary members
 - General public
 - Staff
 - Third parties
 - Any other person/s who come into contact with the Fund

- 1.4. The definition of Adult(s) and children with care and support needs.

The safeguarding duties under the Care Act 2014 apply to an adult, aged 18 or over and a child under the age of 18 years, who:

- Has needs for care and support (whether or not the local authority is meeting any of those needs) and;
- Is experiencing, or at risk of, abuse or neglect; and
- As a result of those care and support needs is unable to protect themselves from either the risk of, or the experience of abuse or neglect.

Care and support is the mixture of practical, financial and emotional support for adults who need extra help to manage their lives and be independent – including older people, people with a disability or long-term illness, people with mental health problems, and carers. Care and support includes assessment of people's needs, provision of services and the allocation of funds to enable a person to purchase their own care and support. It could include care home,

home care, personal assistants, day services, or the provision of aids and adaptations.

3.0 Identifying potential or actual safeguarding issues

3.1 When an officer of the Fund is confronted with a potential safeguarding issue where concerns are raised by;

- Threats or accounts, direct or inferred, of self-inflicted harm
- Threats or accounts, direct or inferred, of harm to others
- Suspicion that the individual is being physically, sexually or emotionally threatened or harmed by others
- Suspicion that the mental state of the individual may be impaired
- Suspicion that the individual is being bullied or taken advantage of
- Use of indecent or violent images
- Suspicion that individual(s) are being radicalised or aiming to radicalise others. Radicalisation is the process by which a person comes to support terrorism and forms of extremism leading to terrorism.

3.2 Events that would not normally constitute a safeguarding issue unless other signs are present are;

- a failure to answer any questions in an examination
- isolated uses of indecent language
- generic doodles

4.0 Handling a potential or actual safeguarding issue

4.1 When faced with a concern over safeguarding of a person the officer who is communicating with the person should follow the below process (different if in person or in writing);

4.1.1 In person

- Remain calm when liaising with the individual/s
- Try to draw attention of a colleague
- Make notes and save them to relevant files and notify any relevant officers

4.1.2 In writing

- Notify a colleague or a manager who is able to assist you in escalating the issue with the Compliance team or Head of Governance
Ensure copies of correspondence are imported onto the member's record and forwarded to the relevant officer who will escalate the case and liaise with the relevant social care team.

4.2 Direct disclosure of an issue or concern (direct disclosure is when the individual at risk specifically identifies with an officer or other individual that they are experiencing a particular safeguarding issue/s defined in section 3.1)

4.2.1 When responding to a direct disclosure from an individual the officer must follow the below process;

- React calmly so as not to frighten the individual
- Listen carefully to the individual
- Do not show disbelief
- Tell the individual that he/she is not to blame and that they were right to tell you
- Take what the individual says seriously, recognising the difficulties inherent in interpreting what the individual says, especially if they have a speech disability and/or differences in language
- do not pre-suppose that the experience was bad or painful - it may have been neutral or even pleasurable
- always avoid projecting your own reactions or opinions onto the individual
- if you need to clarify, keep questions to the absolute minimum to ensure a clear and accurate understanding of what has been said
- if you need to clarify or the statement is ambiguous, use open-ended, non-leading questions
- do not introduce personal information from either your own experiences or those of other individuals
- reassure the individual

4.2.2 When receiving a disclosure, avoid the following;

- Panic
- Showing shock or distaste
- Probing for more information than is offered
- Speculating or making assumptions
- Making negative comments about the person/s whom the allegation has been made
- Approaching the person/s whom the allegation has been made
- Making promises or agreeing to keep secrets
- Giving a guarantee of confidentiality

5.0 Internal process of reporting a safeguarding issue or concern

- 5.1 When faced with an issue or raised concern, once you have followed the necessary steps outlined above all details (including when and how etc.) should be emailed to the Compliance & Risk Team and/or the Head of Governance, who are dedicated Safeguarding Officers for the Fund, to report to the relevant Adult Social Care Team.
- 5.2 You must provide the reporting officers with as much detail as possible in order for them to process the issue with the relevant authority team.

- 5.3 Unless further concern is raised after initial contact with the reporting officer/s the case will be handed over to the relevant authority's social care team and not applicable by Fund.
- 6.0 This policy is in line with the combined West Midlands "Multi-agency Policy and Procedures for the Protection of Adults with care and support needs in the West Midlands". A link to supporting papers and documents is provided below.

<http://www.wolverhampton.gov.uk/article/2958/Policy-and-procedures-for-professionals>

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Information Asset Management Policy

1.0 Purpose

- 1.1 The purpose of this policy is to outline the management of the Fund's information asset register and the actions that will be taken to provide sufficient maintenance of the Information Asset Register for West Midlands Pension Fund. The Fund has undertaken the task of producing an information asset register in line with the Information Governance Toolkit and audit that was completed in December 2015.
- 1.2 The policy details the requirements and responsibilities of officers for updating and ensuring accurate representation of the Fund's information assets in the register at any point in time. This will form part of an annual update to the City of Wolverhampton Council's Information Governance Team as they are our data controller under the Information Commissioner and will give assurance that the Fund is fully compliant with information governance best practice and can provide documented information regarding the data we hold.

2.0 Scope

- 2.1 The Information Asset Register and supporting action plan covers all areas of the Fund, its staff and the use of information assets outside of the normal place of work.
- 2.2 The Fund is required to comply with the Data Protection Act 1998 and the implementation to the change to the General Data Protection Regulations (GDPR) in respect of data protection and information security.

3.0 Definition

- 3.1 An information asset can be defined as;
 - an operating system
 - infrastructure
 - business application
 - off-the-shelf product
 - user-developed application
 - records
 - information
 - IT hardware

It will have recognisable and manageable value, risk, content and lifecycles and can range from a basic Excel spread sheet or database to a national system. Within the Fund there are many such systems, both electronic and paper that hold information relating to personal, sensitive personal and commercially sensitive data/information.

- 3.2 The information asset register is defined as a centralised log of all information that is held by the Fund including but not limited to the nature of the data (i.e. personal or sensitive), what information is held (i.e. names, addresses etc.) but also both electronic and physical locations of the information. This is to assist the Fund with tighter controls over its data and data use leading into the GDPR regulation changes.

4.0 Roles and responsibilities

- 4.1 The responsibility for the Information Asset Register sits on many levels depending on the action needed.

- 4.2 Compliance & Risk Team

The Compliance & Risk Team are responsible for the overall maintenance and monitoring of the register. It is their duty to conduct a six month update/review on all areas of the register and update on an ad hoc basis if notified in the period between reviews.

Key actions;

- Promoting information asset awareness throughout the Fund by organising training, awareness campaigns and providing written procedures/guidance that are widely disseminated and available to staff
- Assisting with investigations into breaches of confidentiality or data loss of personal and sensitive information
- Co-ordinate the notifications of such breaches with City of Wolverhampton Council and the Information Commissioner's Office (ICO)
- Develop and maintain the Information Asset Register working with Information Asset Owners (IAO)
- Working with the IAO to help mitigate risks to their information assets

- 4.3 Strategic Director of Pensions (Accountable Officer)

The Strategic Director of Pensions has overall accountability and responsibility for the Information Governance of the Fund and is required to provide assurance that all risks to the Fund, including those relating to information, are managed and mitigated effectively.

4.4 Head of Governance

It is the role of Head of Governance to ensure and act as an advocate for Information Governance including security on the senior management team, which feeds into the Pensions Committee in the Fund's governance structure.

Key actions;

- Provide advice and support for the Pensions Committee and senior management team (SMT) on the Annual Governance statement in relation to information risks
- Liaise with Information Asset Owner (IAOs) on resolution and/or discussion of issues along with Compliance
- Ensure the Fund has a plan to monitor and achieve set requirements for Information Governance, including the culture of the Fund activities and staff
- Approve all information asset areas of the Business Continuity Plan with SMT

4.5 Information Asset Owners (IAO) – Senior Management Team

Information Asset Owners or Senior Management Team is responsible for overseeing the Information Asset Administrators (IAA, or individual staff members) of their management areas.

Key actions;

- Lead and promote a culture of high standards of Information Governance in the Fund
- Know what information is contained in the asset including any additional or removed information
- Know who has access to the asset and why, including access levels if part of an electronic system
- Understand the risks to the asset and able to provide assurance to the SIRO and SMT that data is secure and in the event of a breach understand the reporting cycle
- Ensure that all new assets within their department are reported to Compliance for inclusion in the register along with a completed privacy impact assessment
- Any changes to the asset are documented on the register and follow the correct change procedures
- Any assets destroyed are notified to Compliance & Risk for recording on the register and follow the correct retention policy

- Liaise with Compliance & Risk to ensure that procedures and controls are in place to ensure the integrity and availability of the information assets
- Provide updates to Compliance & Risk and Pensions Committee when required as part of the Compliance Monitoring Programme

4.6 Information Asset Administrators (individual staff)

Information Asset Administrators (IAA) are usually the staff members who understand and are familiar with the information assets in their area.

Key actions;

- To maintain the general data quality of their information asset and report any areas of concern to the IAO
- Ensure that personal or commercially sensitive date is not unlawfully exploited
- Recognise any potential or actual security incidents and consult Compliance & Risk or SMT
- Under the direction of Compliance & Risk, ensure any asset to be destroyed is done so securely when no longer required
- Ensure compliance with data sharing agreements
- Ensure appropriate access to information assets and report any issues that may occur
- Informing Compliance & Risk of any new information asset or amendments as per the IAO for the area

4.7 All staff

Need to be aware that confidentiality and security of information includes all information relating to members, employers, administering authority, third parties and employees. Such information may relate to staff or member/employer records, electronic databases or methods of communication containing personal identifiable information including mobile devices. Staff will be expected to:

- Read and comply with the Confidentiality agreement which forms part of their contract of employment;
- Adhere to the Data Protection Act Policy and any associated procedures/guidelines;
- Attend all mandatory training and awareness programmes;
- Ensure that all personal identifiable information is accurate, relevant, up-to-date and used appropriately on both electronic and manual records and devices;
- Share information on a 'need to know' basis only

- Ensure that all personal identifiable information is kept safe and secure at all times and in line with the Fund's Retention policy;
- Be aware that personal and sensitive information should not be published on the Fund's website.
- Ensure they report any incidents and or events that could have an impact on the information asset; this can be done through the incident reporting procedure.

It must be stressed that you must not take personal identifiable and/or sensitive data home with you or keep it at home unless authorised to do so. No personal identifiable and/or sensitive data is to be stored on your home computer. Home computers can be easily compromised putting all the information at risk. If as an employee you are found to have made an unauthorised disclosure you may face disciplinary action, which could lead to your dismissal and legal action being taken against you. However, where homeworking rules apply, individual officers are responsible for the security and confidentiality of Fund data/information assets. Reasonable steps must be taken by an individual as detailed in the homeworking policy to give assurance back to the Fund that our data is safe and will not be misused in any circumstances.

5.0 Critical Information Assets

- 5.1 A critical information asset is one which the Fund is reliant on and cannot operate without. The result of the asset being unavailable for a period of time will/could disrupt the service and operation of the Fund's activities. All critical information assets are referenced in the Business Continuity Plan along with the associated timescales. The Business Continuity Plan details step by step procedures to ensure that in the event of no access to the offices etc. the Fund can continue with its required tasks without major disruption to its customers and to meet its liabilities of paying pensioners. Officers must ensure that the critical information assets listed on the register are updated and reviewed regularly so no issues arise with the location or identification of critical assets if the business continuity plan has to come into force.

6.0 Change Control

- 6.1 Any major changes to information assets must be agreed by SMT, this includes new and or replacement software, system updates and installations, removal or archiving of an information asset and the creation of a new information asset.
- 6.2 A privacy impact assessment should be carried out whenever a new project or information asset is likely to involve a new use (i.e. data to be used for a task

that it was not originally collected for) or significantly change the way in which personal data is handled.

- 6.3 All software installations or updates and new hardware equipment must be communicated to City of Wolverhampton Council ICT department and Compliance & Risk team where appropriate. A separate register of physical ICT assets is held by the Technical Team at West Midlands Pension Fund and is maintained regularly.

7.0 Business Continuity

- 7.1 Business continuity is a core component of corporate risk management and emergency planning. Its purpose is to counteract or minimise interruptions to an organisation's business activities from the effects of major failures or disruption to its information assets (e.g. data, data processing facilities and communications).
- 7.2 Approved Business Continuity Plans are in place for all critical information assets and all staff are aware of their roles and responsibilities. Information Asset Owners have implemented approved procedures and controls for their information assets and have effectively informed all relevant staff.
- 7.3 Business Continuity Plans, and system specific procedures and control measures are regularly reviewed, and where necessary tested, to assess their ability to meet their business objectives. It is the responsibility of all officers to be aware and note any changes to the plan before they occur.
- 7.4 All Business Continuity Plans are to be completed by the Compliance & Risk team and signed off for approval by SMT and Pensions Committee.

8.0 Training

- 8.1 Information Governance training is mandatory for all staff on induction and on a yearly basis. The Compliance & Risk Team work with line managers to ensure that additional training is available, as appropriate to support staff.
- 8.2 The Information Governance team work with the Caldicott Guardian, Senior Information Risk Officer, Information Asset Owners and the Communications Team to maintain continued awareness of confidentiality and security issues to all (staff and customers) through many forms of communication (including but not limited to staff bulletins, training questionnaires, newsletters, leaflets, posters, web services, etc.)

9.0 Monitoring, Auditing, Reviewing and Evaluation

- 9.1 The Information Asset Register will be monitored by the Compliance & Risk Team and any changes reported to SMT on a quarterly basis and to Pensions Committee on an annual basis.

- 9.2 All Information Asset Owners and Information Asset Administrators will be required to review each asset on a six monthly basis and report any changes to Compliance & Risk.

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Agenda Item No: 9



Pensions Committee

7 December 2016

Report title	Communications policy review		
Originating service	Pension Services		
Accountable employee(s)	Rachel Howe	Head of Governance	
	Tel	01902 552091	
	Email	Rachel.howe@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood	Director of Pensions	
	Tel	01902 551715	
	Email	Rachel.brothwood@wolverhampton.gov.uk	

Recommendation(s) for action or decision:

The Committee is recommended to:

1. Approve the Communications Policy for 2016/2017
2. Approve the Customer Engagement Strategy for 2016/17

Recommendations for noting:

The Committee is asked to note:

1. The work of the Fund in improving communications with stakeholders during 2015/2016

1.0 Purpose

- 1.1 To provide committee with an update on the work of the Fund in the area of communications during 2015/16 and to present the communications policy for 2016/17.

2.0 Background

- 2.1 The Fund reviews its Communication Policy Statement annually, ensuring that it reflects and meets the changing needs of the LGPS, its members, employers, and the local government pension environment overall.
- 2.2 The production of a Communications Policy Statement has been a requirement since April 2006 for all pension fund administering authorities.
- 2.3 The document outlines how the Fund will engage and communicate with:
- All scheme members and their representatives (active, deferred, and pensioner)
 - Prospective scheme members
 - Contributing employers
 - Our staff
 - External stakeholders (such as the media, and interest groups)

3.0 Work over the last year

- 3.1 In 2015/2016 the Fund's main objectives were to engage with employers, and stakeholders, to continue keeping members informed about changes to their pension, and to continue engaging with the industry on wider pension and investment issues. The Fund has delivered a wide range of communication resources by electronic means, through face-to-face events, and in print.
- 3.2 In February 2016 the Fund embarked on Customer Journey Mapping workshops for employers, helping to create mutual understanding around the expectations of submitting their annual return. 20 representatives attended across the three workshops, which were able to draw out key improvements and changes that needed to be made in order to make the process more efficient and effective for both employers and the Fund.
- 3.3 In addition to the work the Fund undertakes to ensure our members and employers receive the information they need, the Fund has also been approached on a number of occasions to write bespoke pieces for industry specific publications by submitting articles in a Q&A format on topics of interest. Most recently, the Head of Finance, David Kane was interviewed for a piece with IPE discussing the LGPS costs framework and the work WMPF is doing in this area to reduce external management costs.
- 3.4 Internal communications took a new direction in ensuring staff and Trustees are updated on a regular basis with the creation of a "media roundup" to Trustees (containing a summary of industry news and information), in addition to a monthly "employee catch up" (providing staff with an electronic newsletter, also helping reduce volume of Fund-wide internal emails).

- 3.5 The Fund continues with its regular communication which includes, our well attended Member Services Roadshows, conducted throughout the year. The table below shows the attendance at our member events throughout 2016.

Location	Attendees
Perry Barr Depot - Birmingham	36
Redfern Road Depot – Birmingham C.C	47
2 x Montague Street Depot – Birmingham C.C.	74
Lifford Lane Depot – Birmingham C.C.	45
Lister Road Depot – Dudley M.B.C.	70
Leys Depot – Dudley M.B.C.	68
Bournville College	23
Dudley College	25
Solihull College	49
City College Coventry	27
Wolverhampton Uni - Wolverhampton Campus	21
Wolverhampton Uni - Walsall Campus	39
Wolverhampton Uni - Telford Campus	15
Henley College	21
South City College Roadshow Event	25
Dudley M.B.C.	37
Birmingham City Council – Woodcock Street	95
Walsall M.B.C.	39
Coventry City Council	106
Solihull M.B.C.	46
Wolverhampton City Council	71
Sandwell M.B.C.	86
Birmingham City Council – Lifford House	115
Totals	1180

A total of 50 Fund presentations were delivered to 1180 attendees, these presentations were held at 41 different employers, including the district councils, universities, schools/academies and other admitted bodies.

The feedback from these presentations was 50.45% of the members rated them as excellent, 40.33% as very good, 8.86% as good and 0.36% as satisfactory.

The Fund works in partnership with Prudential to deliver a joint presentation covering how the Scheme works and tax efficient methods of saving towards the future. During this period 24 of these presentations were delivered across 9 employers, 598 members attended.

Further support has also been provided to members either through drop in sessions or scheduled one to one support sessions. In total, additional support was delivered to 408 members on an individual basis.

- 3.6 For the same period, the Employer Services team hosted 8 employer coaching sessions with over 250 attendees from across the employer base. Throughout July and November, a number of valuation briefing sessions were held for employers in addition to individual employers meetings to discuss specific valuation outcomes. These have been ongoing since May and will continue with the AGM in November and further 1-2-1 meetings in December and January.
- 3.6 To assist the Data Quality project the Fund also engaged in cross-team partnership and delivered a number of monthly return workshops for employers both at Mander House and across the District at Birmingham City University.
- 3.7 The Fund regularly reviews and updates its website content, producing a quarterly newsletter for employers, and engaging with interest groups and individuals about responsible investment and related concerns. With 2016 being a valuation year for the Fund, engagement and consultation with employers has been a key focus together with the move to monthly returns in June 2016 as we seek to improve data quality.

4.0 Communications Policy 2016/2017

- 4.1 At its meeting on 5 July 2016, the Pension Board resolved to include member and employer engagement as one of the focus areas for its work over the next 12 months.
- 4.2 In recognising the key themes developing in the LGPS over the next 12 months, as highlighted in the Fund's 2016/2021 Service Plan, the Fund recognises the importance of keeping our members and employers informed of issues relevant to them.
- 4.3. The key themes highlighted in the policy reflect the legal requirement of the Fund to publish a communications policy and includes
 - An annual Customer Engagement Plan, noting the events we hold specifically for our members and employers
 - The communication the Fund is required to produce, benefit statements, disclosure, etc.
 - The methods available to our Customers for engaging directly with the Fund, to include web portal, customer service, 1-2-1's.
 - The methods for keeping our Trustees and Pension Board Members informed
 - Ad-hoc communications, such as website updates, mailings and direct contact.
- 4.4 A copy of the Policy is attached at Appendix 1
- 4.5 In addition, the Fund has set out its annual plan for key engagement with our stakeholders. This assists the Fund to plan specific events, at key times during the year to ensure relevant information is being presented at the right time.
- 4.6 A copy of the engagement Strategy is attached at Appendix 2

5.0 Financial implications

- 5.1 Communications forms part of the Fund's work and is accounted for in the annual budget.

6.0 Legal implications

- 6.1 The Fund are required under the Local Government Pension Scheme Regulations to publish an annual Communications Policy. In addition, the Fund is required to publish certain disclosure documents to our members on matters which may affect their pension benefits.

7.0 Equalities implications

- 7.1 None

8.0 Environmental implications

- 8.1 None

9.0 Human resources implications

- 9.1 None

10.0 Corporate landlord implications

- 10.1 None

11.0 Schedule of background papers

- 11.1 West Midlands Pension Fund Service Plan 2016 – 2021
<http://www.wmpfonline.com/CHttpHandler.ashx?id=9302&p=0>

12.0 Appendices

- 12.1 Appendix 1
Communications Policy 2016 – 2017.

- 12.2 Appendix 2
Customer Engagement strategy 2016 - 2017

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West Midlands Pension Fund
Communications Policy Statement 2016
November 2016

Background

The West Midlands Pension Fund is one of the largest pension funds in the United Kingdom with over 290,000 accounts, in excess of 570 individual employers and over £12bn invested. To maintain a high level of customer service success, it is vital for the Fund to understand the needs of our customers as well as their views on the services and products that we provide. This will assist in maintaining the good reputation that the Fund holds within the industry. The Fund achieves this understanding by ensuring regular dialogue with our stakeholders is established and maintained as part of day-to-day business.

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 the Fund's communications policy in line with that requirement and covers the following categories in our regular communication activity:

1. Communicating with scheme members;
2. Member self-service (the web portal);
3. Communicating with members' representatives;
4. Communicating with prospective members;
5. Communicating with employing authorities;
6. Customer engagement strategy.

1. Communicating with scheme members

Annual Benefit Statement

An annual benefit statement is made available online for all active and deferred members who are contributing to the Fund or have not received payment of their deferred benefits at the previous financial year end. These statements are made available through the Fund's web 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 of this by letter.

wmpfonline.com

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

The website is under constant review to ensure we provide up to date information to members about their pension benefits.

Scheme literature

An extensive range of scheme literature is produced including members' brochures detailing how to use our online facility Web Portal, information on taking a reduced salary, as well as required

policies such as our Statement of Investment Principles. These are reviewed and updated by the Fund each year and when any scheme changes have been implemented. Copies of scheme literature are made available at the Fund's website, wmpfonline.com/corporateinformation.

Telephone helpline – 0300 111 1665

A dedicated low-call rate telephone customer service telephone line is provided for scheme members and is publicised in all outgoing communications.

Email Contact

The Fund has a dedicated email address for our members to contact us at
pensionfundenquiries@wolverhampton.gov.uk

Pension roadshows

The Fund holds a number of information events across the region in or close to members' places of work. In addition to the roadshows, additional events are held on request, particularly when there may be organisational changes occurring which have pensions implications.

Pensioner pay advice slip

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

Scheme pensioners can also register to use the Fund's web portal application where pay advice information can be viewed electronically and printed at any time following the payment date.

2. Member self-service (the web portal)

An online portal gives members secure access to their Local Government Pension Scheme (LGPS) records.

The facility provides members with the opportunity to update their personal details, ask questions about their benefits, view annual benefit statements and run pension estimate calculations. Members in receipt of pension are also able to view and change UK bank details via the portal.

3. Communicating with members' representatives

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

4. Communicating with prospective members

Scheme booklet and website

The Fund produces a scheme booklet for all prospective scheme members which provides a link to the Fund's website where they can access scheme booklets and frequently asked questions about the LGPS. The website also provides information to enable members to make an informed decision about contributing to the Local Government Pension Scheme (LGPS) and how to opt-out of the scheme.

Corporate Induction Courses

Fund officers attend corporate induction events to present to prospective scheme members the benefits of LGPS membership.

Trade Unions

The Fund works with the relevant trade unions to ensure the scheme is understood by all interested parties. Training days for branch officers are provided upon request, and efforts are made to ensure that all pension-related issues are communicated effectively with the trade unions.

5. Communicating with scheme employers

eNewsletter

An electronic newsletter, entitled Employer's Briefing Note is issued on a bi-monthly basis to all employers. This is used to communicate the activities of the Fund and inform of any administration or regulatory changes which may impact on the employer's function or their members' pension benefits.

wmpfonline.com 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 join the Fund's web 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 web portal also provides the facility to calculate early retirement estimates and any associated early retirement costs.

Dedicated Telephone Helpline - 0300 111 6516

The Fund has a dedicated low-call rate employer customer service line which enables the Fund to respond to employer specific queries.

Annual General Meeting and Mid-Year Review for Employers

The Fund invites each employer to our annual 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 informing employers of important issues through presentations and roundtable discussions.

Employer Peer Group

A group consisting of a cross-section of Fund employers meet quarterly to provide feedback on the communication initiatives planned by the Fund for fellow employers.

In addition, the Fund offers additional meetings for employers where there have been significant changes in the scheme regulations or the way the Fund operates, for example its move to monthly returns.

These groups have been utilised throughout 2016 as the Fund moves through its valuation year.

6. Customer Engagement Strategy

In addition to this communication policy, the West Midlands Pension Fund also publishes a Customer Engagement Strategy.

The document outlines:

- our customers?
- what customer engagement means to the West Midlands Pension Fund

- when customer engagement is considered?
- what types of engagement activities we undertake
- how we use the outputs from customer engagement activities
- how we feedback results to our customers and actions from their engagement with us

The document provides the principles for customer engagement and how the West Midlands Pension Fund tailors its strategy to a wide range of customers. The document should be viewed as a guide and not as an exhaustive list of engagement activities.

The Customer Engagement Strategy is updated annually and is available from wmpfonline.com.

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West Midlands Pension Fund

Customer Engagement Strategy

November 2016

Background

The West Midlands Pension Fund is one of the largest pension funds in the United Kingdom with over 290,000 members, in excess of 570 individual employers and over £12bn in assets. To maintain a high level of customer service success, it is vital for the Fund to understand the needs of our customers as well as their views on the services and products that we provide. We can achieve this understanding through ensuring regular dialogue with our stakeholders as part of the day-to-day running of the Fund and throughout any significant changes impacting the Fund and its operation. This assists us to maintain the strong reputation that we hold as a Fund within the LGPS.

Objectives

The aims of this document are to detail:

- what customer engagement is to the West Midlands Pension Fund
- when customer engagement should be considered
- the types of engagement activities we undertake
- how the outputs from customer engagement activities are used
- how we feed back to our customers the results and actions arising from their engagement with us.

This document does not set out to impose the activities that must be carried out or how our customers should engage with us. Its aim is to outline the reasons why engagement is important to the Fund and how our customers' opinions are used to shape their experience of our services.

Who are our customers?

Whilst not an exhaustive list, we consider the following stakeholders as customers within this customer engagement strategy:

- Contributing members
- Deferred members
- Members in receipt of a pension
- Participating Employers
- Trustees of Pensions Committees
- Members of the Local Pension Board
- Fund employees
- Trade Unions

What is Customer Engagement?

Customer engagement is about encouraging customers to interact and share in the experiences of the Fund helping to develop the future delivery of our services. When delivered well, a strong customer engagement program will foster loyalty and confidence.

We recognise that engagement is about being involved with people and their ideas in order to create better understanding in an ever changing environment. Engaging with our customers helps to build a connection between them and the Fund.

The West Midlands Pension Fund seeks the input of our customers on aspects of our customer service with the ultimate aim of taking appropriate actions to improve service delivery, making these more relevant to our customers and more closely meeting their requirements and expectations. We recognise that as well as regular feedback surveys, our customers provide their thoughts on our services through multiple routes and existing internal processes. These include but are not exclusive to:

- telephone calls
- letters
- emails
- web portal “ask a question” processes
- visits to reception / attendance at Fund events or presentations
- complaints
- compliments
- customer journey mapping sessions

Our staff are trained to recognise when feedback is given and part of their role is to share that feedback to aid future service developments.

When should customer engagement be considered?

Customer engagement is a continual process which develops with our business. It is usual for customers to engage with the Fund at times when they need help or assistance or when they feel dissatisfied with the service they have received. This type of engagement is considered “business as usual” as the Fund does not need to proactively encourage this contact. However, there will be times when more formal engagement is undertaken and the Fund will actively seek contact from its customers.

The engagement plan attached at Appendix 1 highlights the active engagement planned by the Fund over the next 12 months.

Customer Engagement: Types of activities

The range of customer engagement activities which the Fund uses are diverse and include:

- Member surveys (available online at wmpfonline.com, via customer service advisors and in reception) which record feedback on many aspects of customer service including the quality of written material, online communication, and in-person customer service as well as gathering data on whether our customers believe they are treated fairly by the Fund.
- Employer surveys used to assess the quality of information provided to employers and the timeliness of that information.
- A robust complaints process which is monitored by the Compliance and Risk function of the Fund.
- A self-service officer compliment system where data is captured regarding customer compliments.
- A customer journey mapping system which ensures stakeholders are involved in any changes to our internal processes which affect our customers.
- Face to face meetings through 1-2-1 sessions booked with our staff
- Presentations delivered (routine and bespoke)
- Employer coaching sessions
- Disclosure e-mailings
- Regular updates on the Fund’s website

Current engagement activities – Members

The West Midlands Pension Fund has a member satisfaction survey. This is available online and is also made available as a printed document for display in our reception area. For the purpose of reporting, quarters are defined as 1 January to 31 March, 1 April to 30 June, 1 July to 30 September and 1 October to 31 December each year.

When seeking to improve a service it is important to understand why that service is needed, how it is used, and who is using it. What might be right for the Fund, might not necessarily be right for our customers. The Fund offers Customer Journey Mapping sessions to both members and employers. These help us track a customer's 'journey' when using the information we provide to better understand how it is used and how it can be improved. The Fund encourages participation in our Customer Journey Mapping sessions and invites everyone who makes contact with the Fund through our feedback process to participate.

The Fund has a both Member & Customer Services Teams who are the front face service of the Fund and through their work showcase the Fund as a top performer in the LGPS establishing relationships with key stakeholders, helping members gain confidence that their pension is well managed.

Using a suite of communications, deliverables and channels, the team provide information on a range of topics, such as: an induction to the LGPS; redundancy and at risk support; 'LGPS and You' presentations (which is a general overview of the LGPS and captures scheme changes and protections); pre-retirement information; pension Tax awareness; and retirement planning guidance. All of which are presented in the medium most appropriate to the audience, whether attending at an employer's place of work or attending on members at the Fund's offices.

Current engagement activities – Employers

Every year the Fund publishes an Employer Survey to assess the quality of information we are providing to our Employers. The feedback received is analysed into relevant groups with further questions asked on a more specific level. The survey is circulated following the Fund's AGM with a more detailed breakdown sought in early Spring.

A key focus of the Fund is to ensure that employers receive information at the point they need it. The fund has a dedicated Employer Relationship Team who help employers to understand the pension scheme enabling them to relay accurate information to their employees. Educating employers is therefore a key role in the function of the team. Employers can also receive bespoke communication material to support their needs in each locality for events.

The team offer the same commitment to all of the Fund's employers but understand one size does not fit all and are constantly liaising with employers to gauge the type of support they require within their organisation, this can include all the support needed from when they first join the scheme, to when they become an exiting employer or when they are facing financial difficulties. To support this, the Fund offers Customer Journey Mapping sessions to its employers, helping us track a customer's 'journey' and identify service improvements.

In addition, the Fund hosts an Employer Peer Group every quarter. This is a forum where representatives from different employer groups within the Fund can meet and discuss topics relevant to their work and to present feedback on the processes the Fund implements. It is also a useful group to "pilot" potential changes in the Fund processes.

Current engagement activities – Trustees and Pension Board Members

The Fund hosts three structured days of training for our Trustees and Pension Board members focussing on topics of relevance to their work and industry practice. Every year the Fund issues a training needs analysis, based on the CIPFA module, to assess levels of knowledge. The results structure the training events for that year.

Trustees and Board Members are encouraged to engage with the Fund through the Trustee Management Officer and are asked to complete feedback surveys after each training session to ensure the needs identified have been addressed.

A Media Roundup is circulated to Trustees and Pension Board Members every month informing them of key topics currently being discussed in the wider pension industry.

Where possible, the Fund engages with its external stakeholders, (Fund Managers, industry professionals) to provide bespoke training to the Trustees and Pension Board members, this encourages active debate and helps the group establish links between their role and actions of the Fund.

Engagement with Fund employees

While recognising that the Fund needs to engage with its external stakeholders we also recognise that our own employees are key to the Fund's success in delivering our services at the highest standard possible.

Our employees are the front face service of the Fund and are usually the first point of engagement with our customers. The feedback they provide on the questions and queries they are receiving help the Fund shape its services to be more efficient and effective for our users.

The Fund has regularly meetings with our employees from across a variety of teams and discuss the compliments/compliants we have received during that month, the risk register and the customer engagement strategy helping to identify lessons learned and determine actions for improvement by those employees responsible for implementing them.

Using the feedback data that our customers provide

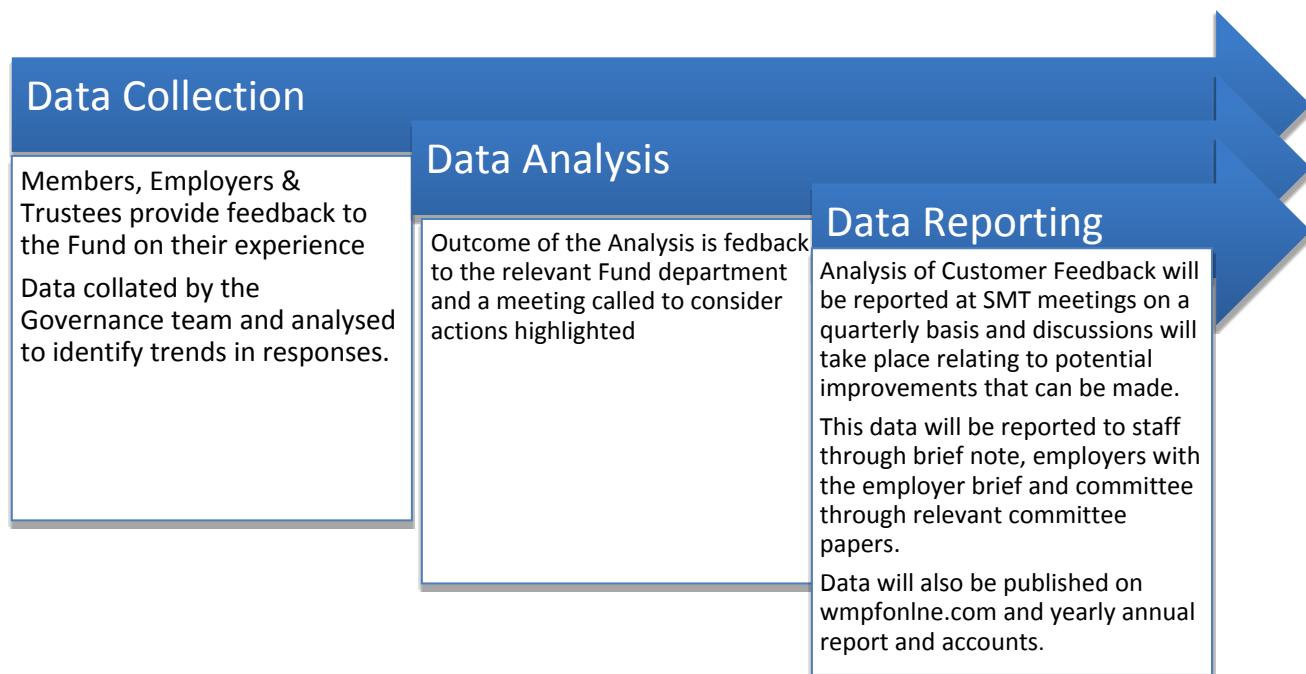
The output from any engagement activity is used by the business in order to improve the customer service that we provide. By doing this it is likely that we will receive continuous feedback from our customer and broaden the range of responses we receive which will ensure that over time feedback is more representative of our broad customer base.

It is similarly important to note that Fund decisions can not only be made solely on customer feedback. A considered approach assessing both business need and customer feedback is taken regarding any decision which would affect our customers.

An important element of any customer engagement activity is managing how customer feedback will be used. It is therefore important that we give our stakeholders explanations on why data is gathered and how it will be used. More information on this can be found on the Fund's website under Information governance.

Analysis for the previous quarter feedback data for members and employers is completed by Communications in each quarter on 1 April, 1 July, 1 October and 4 January in advance of that period's Senior Management (SMT) meeting.

The diagram below describes the process of service monitoring and reporting procedure:



Following this process, each team is responsible for monitoring their service area and for identifying areas which may benefit from direct engagement or support from the Fund.

Communicating back to our customers

The Fund will provide feedback on how customer engagement data has been used in the most practical means, including:

- Our website, wmpfonline.com through a “How did we do?” page
- In the Fund’s Annual Report and Accounts
- In annual electronic mailings / eNewsletters
- In letters inviting customers to attend Customer Journey Mapping (CJM) sessions where we will provide examples of how we have used data in the past. Throughout 2015/2016 the Fund hosted 2 such events, 1) Benefit Statements and 2) Annual Returns. The feedback from these sessions provided a valuable insight into the customer’s use of the information the Fund provides and changed the approach and final product.

Officer responsibilities

All Fund staff members are responsible for providing excellent service to the Fund's stakeholders. Front line members of staff have had additional Customer Services training in November 2016.



Managers and Team Leaders will ensure that, where appropriate, Fund officers on telephones or reception are encouraging members to complete the online surveys to ensure any process improvements are captured and representative of Fund membership.



Employer Relationship Officers will be responsible for ensuring that the employer survey is sent to all participating employers each year.



The Employer Relationship Team will ensure that Employers are reminded to complete these surveys through quarterly articles in the Employers' Briefing Note.



The Trustee Management Officer will be responsible for the collection of feedback from Fund trustees.



The Communications Officer / Event Co-ordinator will be responsible for the analysis of data and the Head of Governance will present this to SMT at quarterly meetings.



SMT will be responsible for discussing the data and engaging with their teams to implement service improvements.



Each team will be responsible for identify potential CJM sessions / further qualitative information from actions discussed at the Customer Engagement meetings.



The Governance Team will be responsible for presenting this information to all stakeholders through the appropriate channel as documented in the section above.

Ownership of the Customer Engagement Strategy

This strategy is owned by the Head of Governance who manages the Communications, Marketing and Business Development functions of the Fund. The day-to-day management of this process has been delegated to the Fund's Events Co-Ordinator alongside stakeholders from across the business.

The Head of Client and Funding Management is responsible for the Employer and Member Relationship Teams and has oversight of the implementation of this policy within the Fund.

Strategy owner:	Head of Governance
Last Updated	October 2016
Next review	June 2017

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
January		<ul style="list-style-type: none"> Member survey results to be collated 	<ul style="list-style-type: none"> Member survey results to be collated 	<ul style="list-style-type: none"> Member survey results to be collated Pensioners were paid early in December therefore pay date queries rise in January 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Media Roundup Website review by service area Technical Network Group update Website updates BOPs Weekly timescale updates to member services Customer engagement quarterly meeting 	<ul style="list-style-type: none"> Media Roundup 24.01.2017 Stakeholder meeting 24.01.17 Pension Board meeting Collation of Special Pension committee reports Plan property visit for March 2017
February		<ul style="list-style-type: none"> Member survey results to be collated 	<ul style="list-style-type: none"> Member survey results to be collated 	<ul style="list-style-type: none"> Member survey results to be collated Incoming customer contact increasing as a result of Tax Coding/Pension credit letters being issued by Inland Revenue and DWP. 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Media Roundup Complaints review (compliance) Technical Network Group update 	<ul style="list-style-type: none"> Media Roundup 07.02.2017 Special Committee Prepare slides for Trustee training 07.03.2017 08.02.2017 start prep for Committee meeting dated 22.03.17

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
					<ul style="list-style-type: none"> Website updates BOPs Weekly timescale updates to member services 	
March	<ul style="list-style-type: none"> Employer survey to be circulated MYR planning to begin 	<ul style="list-style-type: none"> Member survey results to be collated Main depot roadshow events 	<ul style="list-style-type: none"> Member survey results to be collated Main depot roadshow events 	<ul style="list-style-type: none"> Member survey results to be collated Incoming customer contact increasing as a result of Tax Coding/Pension credit letters being issued by Inland Revenue and DWP. Incoming customer contact increasing as a result of quarterly and annually paid member's payslips/P60's being issued. Main depot roadshow events 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Technical Network Group update Media Roundup Website updates BOPs Weekly timescale updates to member services 	<ul style="list-style-type: none"> Media Roundup Pooling update 07/03/2017 Trustee training 22.03.2017 IASC and Pensions Committee Possible property visit Trustee training
April	<ul style="list-style-type: none"> Employer survey results to be collated Start promotion for MYR 	<ul style="list-style-type: none"> Member survey results to be collated Main depot roadshow events 	<ul style="list-style-type: none"> Member survey results to be collated Main depot roadshow events Preparation for DBS 	<ul style="list-style-type: none"> Member survey results to be collated Incoming customer contact increasing as a result of Tax Coding/Pension credit letters being issued by 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Technical Network Group update 	<ul style="list-style-type: none"> Media Roundup Pooling update Start prep for induction training for new Trustees

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
Page 94				<ul style="list-style-type: none"> Inland Revenue and DWP. Incoming customer contact increasing as a result of monthly paid member's payslips/P60's being issued. Main depot roadshow events 	<ul style="list-style-type: none"> Media Roundup Website review by service area Complaints review (compliance) Website updates BOPs Weekly timescale updates to member services Customer engagement quarterly meeting 	
May		<ul style="list-style-type: none"> Member survey results to be collated Education site roadshow events 	<ul style="list-style-type: none"> Member survey results to be collated Education site roadshow events Preparation for DBS 	<ul style="list-style-type: none"> Member survey results to be collated Education site roadshow events 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Technical Network Group update Media Roundup Website updates BOPs Weekly timescale updates to member services 	<ul style="list-style-type: none"> Media Roundup Pooling update Elections – review committee changes and arrange induction course Write to existing Trustees 21.06.2017 start prep for Committee meeting dated 21.06.17 Start prep for reports for Pensions Board meeting provisional

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
						<p>date 04.07.2017</p> <ul style="list-style-type: none"> • Invites for MYR to PB and PC
June	<ul style="list-style-type: none"> • MYR event • Employer survey to be circulated 	<ul style="list-style-type: none"> • Member survey results to be collated • Education site roadshow events • Prudential summer events • AVC statements sent to members (by Pru) 	<ul style="list-style-type: none"> • Member survey results to be collated • DBS issued • Education site roadshow events • Prudential summer events 	<ul style="list-style-type: none"> • Member survey results to be collated • Quarterly payslips issued • Education site roadshow events • Prudential summer events 	<ul style="list-style-type: none"> • Staff Forum (1st Friday of month) • Employee Catch up (one week after staff forum) • Technical Network Group update • Media Roundup • Website review by service area • Complaints review (compliance) • Website updates BOPs • Weekly timescale updates to member services 	<ul style="list-style-type: none"> • Media Roundup • Pooling update • Trustee Induction TBC • 21.06.2017 Provisional date for IASC and Pensions Committee • MYR • Organise joint training event for PB and PC on July 11 on Pensions Admin Strategy
July	<ul style="list-style-type: none"> • Employer survey to be reviewed – take to July quarterly engagement meeting 	<ul style="list-style-type: none"> • Member survey results to be collated • Education site roadshow events • Prudential summer events • AVC statements sent to members (by Pru) • Preparation for ABS 	<ul style="list-style-type: none"> • Member survey results to be collated • Education site roadshow events • Prudential summer events 	<ul style="list-style-type: none"> • Member survey results to be collated • Education site roadshow events • Prudential summer events • Overseas existence checking 	<ul style="list-style-type: none"> • Staff Forum (1st Friday of month) • Employee Catch up (one week after staff forum) • Technical Network Group update • Media Roundup 	<ul style="list-style-type: none"> • Media Roundup • Pooling update • 04.07.2017 Provisional date for Pensions Board meeting • 11.07.16 Provisional date

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
					<ul style="list-style-type: none"> Website updates BOPs Weekly timescale updates to member services Customer engagement quarterly meeting 	joint training event
August	Page 96	<ul style="list-style-type: none"> Member survey results to be collated ABS Made Available Web portal workshop (Wolverhampton) Preparation for ABS 	<ul style="list-style-type: none"> Member survey results to be collated Web portal workshop (Wolverhampton) 	<ul style="list-style-type: none"> Member survey results to be collated Web portal workshop (Wolverhampton) WMITA existence checking 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee catch up (2nd Friday of month) Media Roundup Complaints review (compliance) Website updates BOPs Weekly timescale updates to member services 	<ul style="list-style-type: none"> Media Roundup Pooling update 02.08.2016 start prep for Committee meeting dated 06.09.17
September		<ul style="list-style-type: none"> Planning for AGM to begin 	<ul style="list-style-type: none"> Member survey results to be collated Password re-sets start as a result of ABS Civic roadshow 	<ul style="list-style-type: none"> Member survey results to be collated Civic roadshow events 	<ul style="list-style-type: none"> Member survey results to be collated Overseas Pension Confirmation sent out by Payroll (I have asked if next year this 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Technical

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
		events		<p>can be moved so that it doesn't co-inside with ABS)</p> <ul style="list-style-type: none"> • Civic roadshow events 	<p>Network Group update</p> <ul style="list-style-type: none"> • Media Roundup • Website review by service area • Website updates BOPs • Weekly timescale updates to member services 	
October Page 97	<ul style="list-style-type: none"> • Start promoting AGM 	<ul style="list-style-type: none"> • Member survey results to be collated • Civic roadshow events • Prudential autumn events 	<ul style="list-style-type: none"> • Member survey results to be collated • Civic roadshow events • Prudential autumn events 	<ul style="list-style-type: none"> • Member survey results to be collated • Civic roadshow events • Prudential autumn events 	<ul style="list-style-type: none"> • Staff Forum (1st Friday of month) • Employee Catch up (one week after staff forum) • Technical Network Group update • Media Roundup • Complaints review (compliance) • Website updates BOPs • Weekly timescale updates to member services 	<ul style="list-style-type: none"> • Media Roundup • Send invites for LAPFF conference to Trustees • TBA – PLSA conference • Invites for AGM • Prep Trustee training and send invites
November	<ul style="list-style-type: none"> • AGM event 	<ul style="list-style-type: none"> • Member survey results to be collated 	<ul style="list-style-type: none"> • Member survey results to be collated 	<ul style="list-style-type: none"> • Member survey results to be collated 	<ul style="list-style-type: none"> • Staff Forum (1st Friday of month) 	<ul style="list-style-type: none"> • Media Roundup • 02.11.2016

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
Page 98					<ul style="list-style-type: none"> Employee Catch up (one week after staff forum) Technical Network Group update Media Roundup Website updates BOPs Weekly timescale updates to member services Customer engagement quarterly meeting 	start prep for Committee meeting dated 06.12.17 <ul style="list-style-type: none"> 14.11.16 provisional date for Trustee Training AGM
December		<ul style="list-style-type: none"> Member survey results to be collated 	<ul style="list-style-type: none"> Member survey results to be collated 	<ul style="list-style-type: none"> Member survey results to be collated Early Pension Pay day resulting in queries Quarterly Payslips issued. 	<ul style="list-style-type: none"> Staff Forum (1st Friday of month) Employee Catch up (one week after staff forum) Technical Network Group update Media Roundup Website review by service area Complaints review (compliance) Website updates 	<ul style="list-style-type: none"> Media Roundup 06.12.2016 Provisional date for IASC and Pensions Committee TBA - LAPFF conference

Month	Employer	Member (Active)	Member (Deferred)	Member (Pensioner)	Internal	Trustees
					BOPs <ul style="list-style-type: none"> • Weekly timescale updates to member services 	

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CITY OF
WOLVERHAMPTON
COUNCIL

Pensions Committee

7 December 2016

Report title	Investment Pooling	
Originating service	Pension services	
Accountable employee(s)	Geik Drever Tel Email	Strategic Director of Pensions 01902 552020 Geik.Drever@wolverhampton.gov.uk
Report to be/has been considered by	Geik Drever Kevin O Keefe Tel Email	Strategic Director of Pensions Director of Governance, Council Solicitor 01902 554910 Kevin.O'Keefe@wolverhampton.gov.uk

Recommendation(s) for action or decision:

The Committee is recommended:

- 1.1. To enter into a joint agreement with Cheshire West and Chester Council, Derbyshire County Council, Leicestershire County Council, Nottinghamshire County Council, Shropshire Council, Staffordshire County Council, and Worcestershire County Council to establish a joint pension fund investment pool, in accordance with the requirements of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016; to be overseen by a Joint Committee established under s102 of the Local Government Act 1972.
- 1.2. To become a joint shareholder of LGPS Central; a private company, limited by shares, held solely by the participating funds, on a 'one fund, one vote' basis; incorporated for investment management purposes and regulated under the Financial Services and Markets Act 2000.
- 1.3. To appoint the Strategic Director of Pensions to represent the Council on a Practitioner Advisory Forum, providing joint officer support to the Joint Committee and Shareholders' Forum.
- 1.4. To authorise the Strategic Director of Pensions and the Council Solicitor to enter into all necessary legal agreements to establish a joint asset pool and investment management company.
- 1.5. To approved revised terms of reference for Pensions Committee as set out in Appendix 1 to this report to take effect from 1 April 2018.
- 1.6. To approve the consolidation of Pensions Committee and Investment Advisory Sub Committee from June 2017 in light of the pooling arrangements.

1.0 Purpose

- 1.1. This report outlines the changes that will be required to the operational and governance arrangements for West Midlands Pension Fund following the recent amendment of the LGPS Investment Regulations.
- 1.2. The revised regulations require all administering authorities in England and Wales to enter into joint (pooled) arrangements for the management of their investment assets, with effect from 1st April 2018, in order to achieve scale economies and increase investment capacity.
- 1.3. West Midlands Pension Fund has been working with seven partner funds on a proposal which will meet the criteria for pooling laid down by the Secretary of State, by establishing a jointly owned investment management company, to be known as 'LGPS Central Ltd'.

2.0 Background

- 2.1. The LGPS is one of the largest funded pension schemes in the world with combined assets of around £200 billion. These are managed by 89 local administering authorities, who have historically maintained separate arrangements for the management of scheme assets, overseen by their respective Pension Fund Committees.
- 2.2. Between them it is estimated that administering authorities incur total administrative and management costs of around £500 million per year, a significant proportion of which relates to investment management fees paid to external fund managers. It should be noted that this figure is based on reported costs, the precise treatment of which varies between funds, therefore this figure is underestimated. Funds often use the same managers, offering the same or similar services but appointed under separate agreements and on different fee terms.
- 2.3. Funds also vary significantly in scale; large funds enjoy direct access to a wide range of investment markets and products and can often negotiate more competitive fees, whilst smaller funds have more restricted options due to lower levels of investible resources and expertise, and have less negotiating power in the market.
- 2.4. Over the past two and a half years the Government has explored a number of options for improving the efficiency and sustainability of the scheme, and has undertaken extensive consultation on the potential to deliver savings through greater collaboration. A national cost benefit exercise, led by Hymans Robertson concluded that significant savings could be achieved through greater use of collective investment approaches, provided that certain regulatory restrictions were removed.
- 2.5. Subsequently, the Government announced its intention to introduce a new regulatory framework which would facilitate collective investing and issued guidance and criteria to help administering authorities to develop proposals for pooling, aimed at reducing costs and improving efficiency. Initial proposals were required by February 2016, followed by more detailed business case submissions in July 2016, with a target implementation date of 1st April 2018. The Government also announced that 'backstop' powers would be introduced to allow the Secretary of State to intervene where authorities failed to bring forward sufficiently ambitious proposals in accordance with the guidance and criteria issued.

2.6 Over the last 12 months, the Pensions Committee and Local Pensions Board have been kept informed of the work of the Fund in meeting Government's criteria. Legal workshops have been organised with representatives from all the Administering Authorities, together with presentations and reports presented to each committee meeting outlining the proposed governance structure and associated implications as submitted to Government in July 2016. A further Stakeholders' day is organised on 24 January 2017 for both the Pensions Committee and the Local Pensions Board.

3.0 LGPS Central

- 3.1 Prior to the Government's announcement, West Midlands Pension Fund has already established close working links with a number of other funds across the UK. These informal links become the starting point for wider discussions in the context of the formal requirement for pooling, resulting in a joint proposal from Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, West Midlands (including the ITA Fund) and Worcestershire pension funds to create 'LGPS Central', with combined assets of £35 billion.
- 3.2 Following confirmation from the Minister that this proposal was acceptable, a joint working group of officers, supported by external advisors, developed a detailed business case setting out how LGPS Central will meet the four key assessment criteria laid down by the Government :-

Criteria 1 – Asset pool(s) that achieve the benefits of scale (greater than £25 billion)

Criteria 2 – Strong governance and decision making

Criteria 3 – Reduced costs and value for money

Criteria 4 - Improved capacity and capability to invest in infrastructure

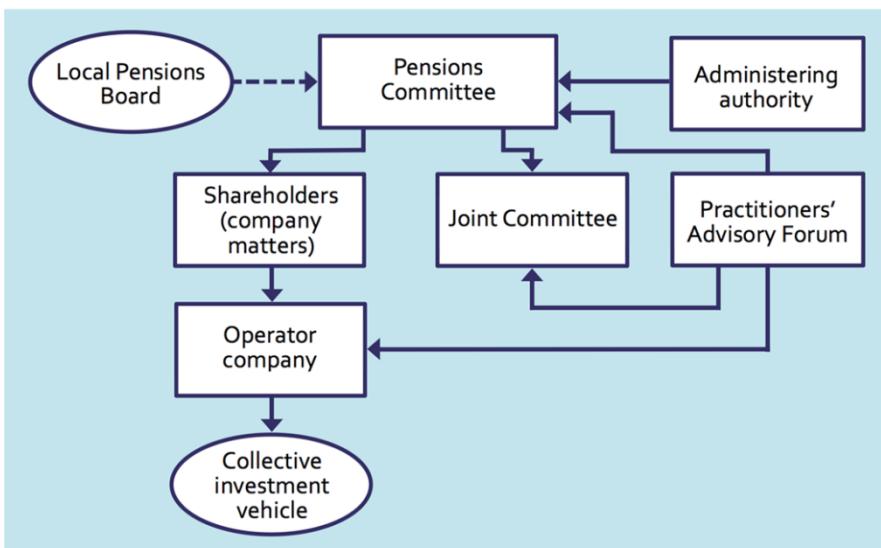
3.3 In readiness for meeting Government's timetable of April 2018, LGPS Central Ltd has been incorporated as a company registered with Companies House. To assist in its creation, and in agreement with all the Administering Authorities, Wolverhampton City Council established the company as the subscriber shareholder with a sole Director. This is a process matter to ensure the creation of the company. The other 7 Authorities will subscribe to the company following finalisation of adoption of agreements.

4.0 Governance Structure

- 4.1 Detailed reports have been presented to previous meetings of the Pensions Committee, explaining the key elements of the business case and seeking approval for the proposed governance, oversight and management structure of the pool.
- 4.2 The structure will allow participating funds to exercise control (both individually, and collectively) over the new arrangements, not only as investors in the pooled fund, but also as shareholders of the operator company. West Midlands ITA Pension Fund will not be a shareholder of the company in its own right, but will be represented through West Midlands Pension Fund, in line with the delegations previously granted to this Committee.

4.3 The Outline below shows the Governance structure

Summary of Governance Structure



- 4.4 At its last meeting in September, Pensions Committee approved the nomination of its Chair (with Vice Chair as substitute) to represent the Fund on both the Shareholder Forum and the Joint Committee.
- 4.5 The Government has also made clear its expectation that pooled entities must be registered with the Financial Conduct Authority (FCA) and regulated under the Financial Services and Markets Act 2000, to ensure appropriate safeguards over the management of client monies. As such, the new LGPS Central company will be subject to on-going oversight by the regulator and key management positions, including the company directors, will need to be 'approved persons', able to demonstrate appropriate knowledge, expertise and track record in investment management. They will also carry significant legal, personal liability for their actions and decisions.
- 4.6 The relative merits of buying or renting an established operator to manage the day-to-day running of the pool have been carefully considered against the benefits of setting up a jointly-owned company, with associated shareholder rights. The constituent funds unanimously agreed that the latter option, whilst more expensive, offers significant advantages in terms of greater flexibility and control, and this is the basis upon which the business case has been developed.
- 4.7 Whilst assets will be managed on a pooled basis, each fund will be able to exercise their investor rights independently, although clearly, benefits of scale will most effectively be harnessed where parties work together in a co-ordinated way to align their decision-making. An important example being Responsible Investment Policy, e.g. environmental, social, and governance policies and policies on the exercise of voting rights.

- 4.8 The Shareholders' Forum, operating under company law, will have formal decision-making powers. West Midlands Pension Fund will have equal voting rights alongside the other participating funds, and unanimous decisions will be required on key strategic matters, which will be specified in the company Shareholders' Agreement and Articles of Association. This will include the appointment and dismissal of the company's senior executives, approval of the company's strategic plan and any significant financial transactions, such as major acquisitions and lending or borrowing.
- 4.9 The degree of control to be exercised by the Shareholders through their reserve powers will be greater than is generally the case, ensuring the company is a publicly owned company over which the public authorities have direct control. This is to satisfy the exemption criteria in regulation 12 of the Public Contracts Regulations 2015 (Teckal) therefore avoiding the need for a full procurement exercise to procure the services of the company.
- 4.10 To comply with this regulation, there will be certain reserved matters which will require unanimous approval before the actions can be implemented. These include, in the main, appointing and removing Directors, the admission of new joiners, approving strategic plans, approving accounts and audits and decisions on borrowing/lending powers. Other matters not directly related to the control of the company but to manage its operation are subject to a majority approval (75%) and these include payments of dividends and entering into lease agreements/capital expenditure.
- 4.11 The Joint Committee, created under S102, Local Government Act 1972, will be the forum for dealing with common investor issues, and for collective monitoring of the performance of the pool against the objectives set out in the LGPS Central business case submission. It will however, have no formal decision making powers and Joint Committee recommendations will require the approval of individual authorities, in accordance with their local constitutional arrangements.
- 4.12 To support the Joint Committee in its role, a Practitioner's Advisory Forum (PAF) will be created consisting of officers from each of the individual Funds. The PAF will support Joint Committee meetings and action any recommendations, including the reporting back to Fund Pension Committees of matters requiring their attention.

5.0 TUPE/ Location

- 5.1 It is expected that employees who are currently employed by the partner funds to manage their investments or perform other related activities will transfer under the Transfer of Undertakings (Protection of Employment) regulations (TUPE) to the new company, subject to detailed consideration of current and future roles.
- 5.2 It has been agreed that LGPS Central Ltd will be based at 2 locations. The headquarters will be based in Wolverhampton with a satellite office in Matlock Derbyshire.

6.0 Government's Approval

- 6.1 The detailed business case has been reviewed by a joint DCLG/HMT Review Panel in early September 2016. The Pool met with the Minister on 15 November to discuss the submission and following the discussion, received a letter of confirmation from the Minister that he is content for LGPS Central to proceed as set out in our final submitted proposal.

7.0 Impact on the role of the West Midlands Pension Fund Committee/Investment Advisory Sub-Committee

- 7.1 The current terms of reference for the West Midlands Pensions Committee and the Investment Advisory Sub-Committee are attached in Appendix 1, along with suggested amendments to reflect their post-pooling responsibilities (highlighted in track changes). These changes will be taken through the Council process for amending the constitution in time for the next municipal year in June 2017.
- 7.2 For the most part, the role of the Pensions Committee will be unaffected by the implementation of pooling and the creation of LGPS Central. The Committee will continue to be responsible for monitoring the overall management, performance and administration of the fund, and for setting investment strategy, including the overall allocation of assets, which is the critical factor in determining investment performance.
- 7.3 Importantly, the Pensions Committee will also continue to be responsible for communicating with individual scheme members, whose benefits are set in law, and which are therefore not affected by the new pooling arrangements or investment performance.
- 7.4 Responsibility for direct investment management through an in-house team and appointing external investment managers and overseeing their performance, including any decision to dismiss, previously delegated to the Strategic Director of Pensions, will transfer to the pool, as will tactical decisions on the implementation of the overall investment strategy and the choice of specific investment vehicles.
- 7.5 The role of the Investment Sub-Committee will be more fundamentally impacted by the pooling proposals, as its remit is focussed specifically on the review of investment manager performance and other service provider issues, which will become the responsibility of the pool operator. With reduced terms of reference the residual role of the Sub-Committee could be subsumed back in to the main Committee, thereby streamlining the overall governance arrangements and reducing the demands on Trustee's time.
- 7.6 From June 2017, it is proposed that there is one meeting of Pensions Committee which will be divided between Exempt, commercially sensitive reports, for example transition of assets to the pool and Non-Exempt reports.

8.0 Financial implications

- 8.1 The estimated cost of setting up the jointly owned company is circa £4 million; this will be shared equally between the participating funds, with West Midlands' share being around £500,000. There will also be significant transition costs as existing investment mandates are unwound and funds are transferred into new collective investment vehicles. It is not possible to accurately predict these costs, but the business case includes an estimate of approximately £50 million. Transition costs will also be shared between the funds on a fair and equitable basis.
- 8.2 In addition, as the new company will be a regulated entity, under FCA rules, it will likely need to hold regulatory capital to guarantee its solvency. The regulatory capital requirement is expected to be in the region of £8 million (£1 million per fund).

- 8.3 West Midlands Pension Fund's share of all costs (including the regulatory capital) will be met from the fund, and there will therefore be no direct impact on the administering authority's revenue or capital budgets. This is currently being reviewed in the context of tax implications by PWC.
- 8.4 Estimated net total savings for the pool as per the July submission to Government, are in the region of cumulative £200 million over the period from 2018/19 to 2032/33, with annual savings of around £29 million being achieved by the end of this period.

9.0 Legal implications

- 9.1 The requirement to pool fund investments is a requirement of law, failure to work collaboratively and meet the Government's criteria and timetable for delivery may result in Government intervention.
- 9.2 The key risks are:-
 - failure to achieve the statutory implementation deadline of 1st April 2018
 - failure to manage costs and savings in line with the agreed business case
 - failure to meet the requirements of the FCA regulator
 - failure to recruit appropriately skilled and experienced senior personnel to the new company
- 9.3 Comprehensive programme governance arrangements are in place to ensure that the statutory deadline for the implementation of pooling is achieved and that costs and savings are managed in accordance with the agreed business case. The S151 officers of each of the participating funds sit on the LGPS Central Programme Board and regular joint meetings are held between the Chairs and Vice-Chairs of the respective Pension Fund Committees to ensure effective member oversight of progress and delivery. The West Midlands Pension Fund Committee and Local Pensions Board are also being updated regularly on key developments and decisions, as are the fund employers.
- 9.4 Expert advisers have been appointed to provide support to LGPS Central on legal matters, FCA registration, taxation and overall programme management, and professional recruitment consultants are being appointed to assist and advise on executive recruitment and remuneration.
- 9.5 Browne Jacobson were appointed jointly by the Funds to assist them with their governance arrangements in approving the documents which have been agreed by the Council Solicitor.

10.0 Equalities implications

- 10.1 There are no implications

11.0 Environmental implications

- 11.1 There are no implications

12.0 Human resources implications

- 12.1 Outlined in the report

13.0 Corporate landlord implications

- 13.1 Considerations for office space which meet the Pool's requirements are ongoing together with the associated resources. An update will be provided as this progresses.

14.0 Schedule of background papers

- 14.1 Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016
<http://www.legislation.gov.uk/uksi/2016/946/contents/made>

- 14.2 Public Contracts Regulations 2015

<http://www.legislation.gov.uk/uksi/2015/102/contents/made>

15.0 Appendices

- 15.1 Appendix 1
Amended Pensions Committee Terms of Reference

Pensions Committee

Terms of reference

Delegations to the Pensions committee

1. To exercise all those functions of City of Wolverhampton Council which are required to be performed by it in its role as Administering Authority for the Local Government Pension Scheme under the Public Service 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.
2. Under Section 4 of the Public Service Pensions Act 2013 the Scheme Manager for the Administering Authority shall be the Pensions Committee. The Administering Authority shall at Full Council every year approve the delegation of Scheme Manager under Section 101 of the Local Government Act 1972 to the Pensions Committee and appoint representatives to sit on the Committee for that year.
3. To exercise all the general powers and duties of the Council granted to the Cabinet and Cabinet Panels and Regulatory or other Committees provided that those parts of the Council's Financial Procedure Rules and Contracts Procedure Rules which relate to the acquisition and disposal of land, Fund Investment transactions, custody of assets, appointment of advisors, approval of expenditure and their related activities, shall not apply in relation to such acquisitions and disposals and expenditure in connection with the Pension Fund.
4. To ensure that equality issues are addressed in the development of policies and the provision of services and are appropriately monitored.
5. To ensure that consideration is given to the impact which the Committee's policies and provision of services have with regard to environmental matters.

Pensions Committee terms of reference

6. The Council's financial procedure rules, contract procedure rules and internal financial limits concerning procurement do not relate to the Pensions Committee who, by delegation from Council, has authority to enter into contracts, procure services, purchase goods and manage financial investment through the internal controls of the West Midlands Pension Fund and in compliance with all applicable legislation.

7. The Pensions Committee may call upon the Pensions Board to seek assistance on matters to be discussed at the committee meeting. Where such assistance is sought it must be considered as part of the decision making process.
8. Any reference within the Council's constitution that refers to Council or Cabinet and includes powers relevant to the work of the Pensions Committee should be read to include Pensions Committee, including the setting of the Budget and Policy framework of the Fund.
9. The Pensions Committee shall adhere to the Standing Orders of City of Wolverhampton Council and all matters of due process so far as they do not conflict with the preceding delegation.

Membership

10. The membership of the Pensions Committee shall consist of ten City of Wolverhampton Council members, one Elected Member from each of the six District Councils and four (non-voting) trade union representatives.
11. The quorum is eight.
12. A substitution for any person appointed to the Pension Committee shall follow the Council's procedure.
13. Should an elected Councillor no longer be a member of their authority, their appointment on the Committee shall cease and a further nomination will be sought from that authority.
14. The Committee shall meet a minimum of quarterly.
15. All persons appointed to the Committee will adhere to the Committee's code of conduct.
16. Persons sitting on the Committee are expected to make themselves available to attend committee meetings. Persons who fail to attend three or more events (to include committees and training) will be asked to leave the committee and a replacement sought from their nominating body unless there are exceptional reasons for their failure to attend. Such reasons to be considered by the committee.

Chairing the Committee

17. It will be the first business of the Committee at its annual meeting to receive nominations of a Chair and Vice Chair from Full Council who will sit for the term of one year.
18. In the event of a tie of votes of any business to be conducted, the Chair will have the casting vote. In the circumstances where the vote is to appoint a new Chair, the outgoing Chair will have the casting vote in the event of a tie.

Duties of the Pension Committee

19. The Pensions Committee to act as the Pension Scheme Manager for the Administering Authority in the management and administration of the local government pension scheme for the West Midlands.
20. To adhere to the principles set out in the Statutory Guidance and Codes of Practice issued by the Scheme Advisory Board and the Pensions Regulator and undertake it's duties in compliance with the obligations imposed on it.
21. To provide independent assurance to members of the fund of the adequacy of the risk management framework and the associated control environment, responsible for the fund's financial and non-financial performance to the extent that it affects the fund's exposure to risk.
22. To administer all aspects of the West Midlands Pension Fund on behalf of City of Wolverhampton Council and the West Midlands Integrated Transport Authority Pension fund under S101 Local Government Act 1972 delegation from the Combined Authority.
23. To determine staffing structures, changes to vacant posts or the establishment of new posts and to receive reports on matters of staffing and employment of officers within the Fund.
24. To ensure that equality issues are addressed in the development of policies and the provision of services and are appropriately monitored.
25. To communicate with members of the fund keeping accurate records and publishing information as required about the fund and its work.
26. To monitor investment activity and the performance of the Fund(s)
27. The selection, appointment and dismissal of an investment pool operator to manage the assets of the Fund

28. To determine the asset allocation/investment strategy of the WMPF/WMITA Pension Fund
29. Determining what the Fund requires the pool to provide to enable it to execute its investment strategy effectively
30. Receiving and considering reports and recommendations from the Joint Committee in relation to LGPS Central Ltd
31. Ensuring that appropriate measures are in place to monitor and report on the ongoing costs of investment pooling
32. Ensuring the responsible investment, corporate governance and voting policies of the Fund are delivered effectively
33. Receiving recommendations from the Practitioners Advisory Forum on the performance and management of LGPS Central Ltd
34. Reviewing and agreeing the Investment Strategy Statement, Fund Strategy Statement, Administration Policy, Pension Administration Strategy, Governance Compliance Statement, Communications Statements and publish a Pension Fund Annual Report

Training

35. In compliance with the requirements of the Public Service Pensions Act 2013 persons appointed to the Committee shall undertake at least 3 training session per year. The first training session will be organised within 28 days of their appointment to the Committee with subsequent training scheduled after three months of appointment and after nine months of appointment.



Pensions Committee

7 December 2016

Report title	Data quality and employer performance – quarterly update - 1 July 2016 – 30 September 2016		
Originating service	Pension Services		
Accountable employee(s)	Amy Regler	Business Performance and Data Manager	
	Tel	01902 554643	
	Email	Amy.regler@wolverhampton.gov.uk	
Report has been considered by	Rachel Brothwood	Director of Pensions	
	Tel	01902 551715	
	Email	Rachel.brothwood@wolverhampton.gov.uk	

Recommendation(s) for noting:

The Committee is asked to note:

1. The progress and the actions being taken to continue to improve data quality
2. The performance of employers against key standards set out in the Pension Administration Strategy (PAS)

1.0 Purpose

1.1 To provide an update to Pensions Committee on the progress being made by the Fund to continue to improve data quality, summarise the plans in place to make further improvements to data quality and to report the performance of employers against key performance standards as detailed in the Pension Administration Strategy (PAS).

2.0 Background

2.1 The Fund has always placed the retention of good quality data high on its list of priorities, however this has heightened so as to improve efficiency and comply with the Pension Regulator's (tPR) closer scrutiny in this area applied with effect from April 2015. As previously reported, the Fund is implementing procedures to ensure optimum data quality is embedded within its administration system and associated records.

2.2 A summary of the activity undertaken by the Fund to identify and act on poor data quality is listed below:

- comparison of data record keeping against the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014
- application of charges/re-charges on employers to reflect late receipt of annual return files and poor quality of data
- review of annual return errors and issue of analysis to employers
- regular engagement with district councils in regards to outstanding data items and production of action plans where required
- independent high level review of the work carried out by the Fund

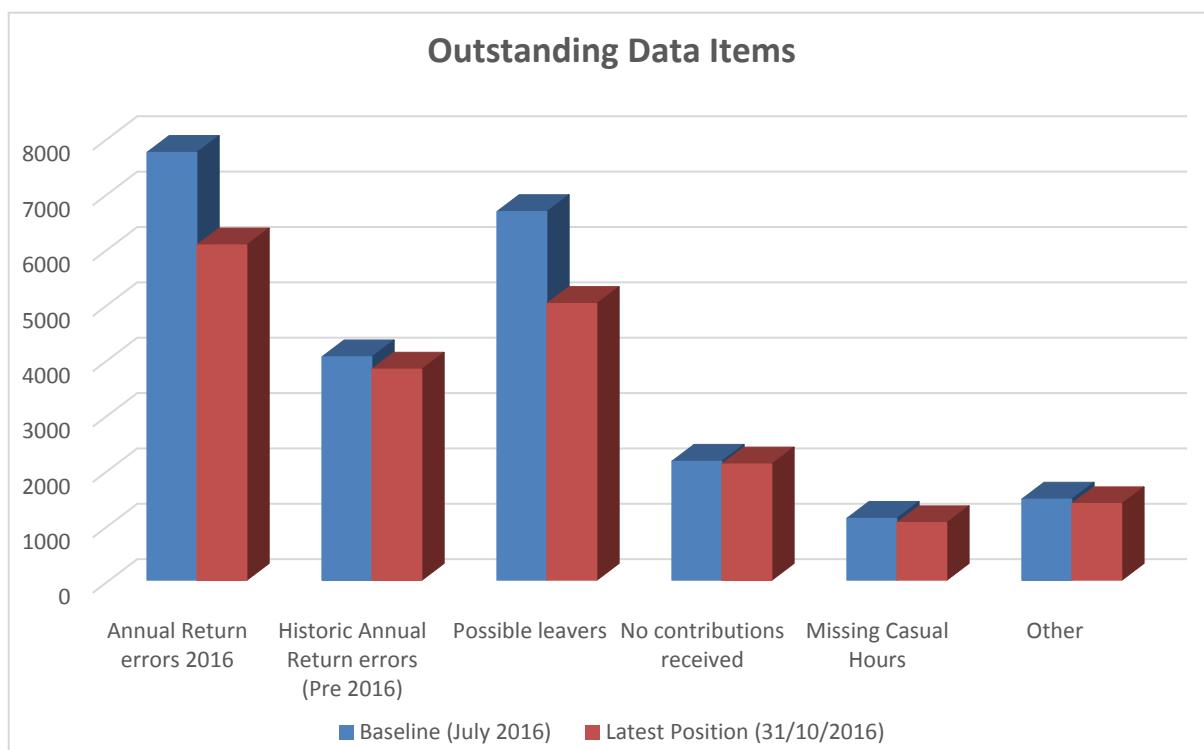
2.3 The Fund's Pension Administration Strategy (PAS), sets the performance and quality standards for employers and the Fund. The efficient delivery of the benefits of the scheme is reliant upon effective administrative procedures being in place between the Fund and scheme employers. Most notably the timely exchange of accurate information in relation to Fund members. This administration strategy sets out the expected levels of performance of the Fund and the scheme employers, and provides details about the monitoring of performance levels.

3.0 Outstanding Data - Progress

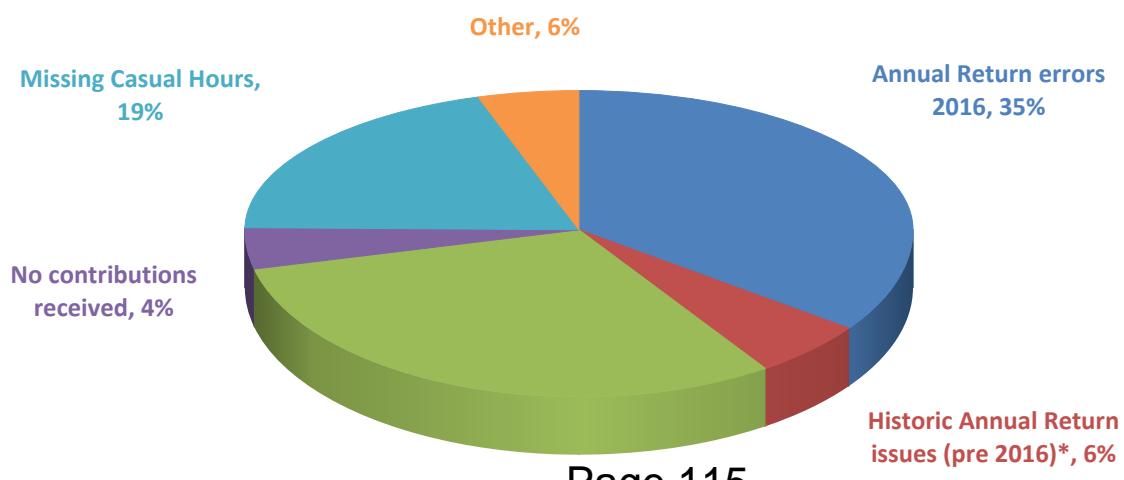
3.1 The Fund has and continues to take a number of actions to engage with employers to improve the quality of the data held. These include:

- Detailed review of the errors encountered in the annual return process
- Reporting back to individual employers on the issues with their files and data gaps for further investigation
- Plans for the development of wider employer briefing and coaching
- Face-to-face meetings with larger employers with regular follow-up on the actions required

- 3.6 In September 2016, work was completed to issue individual employer analysis of the 2016 return and other outstanding data to employers. Following the completion of this process, a baseline of approximately 24,000 outstanding data items has been identified. The typical known issues to date include, missing notifications for joiners and leavers, missing hours for casual workers, historic errors from previous annual return processes, and records with no contributions recorded.
- 3.7 Work is now underway to work with employers to monitor and review progress in reducing these data items. This includes the production of individual data improvement plans with our larger employers, and setting up agreed monitoring processes. As at the end of October 2016, an overall reduction of 13% has been achieved across the employer base, with just under 30,000 issues remaining to be resolved.



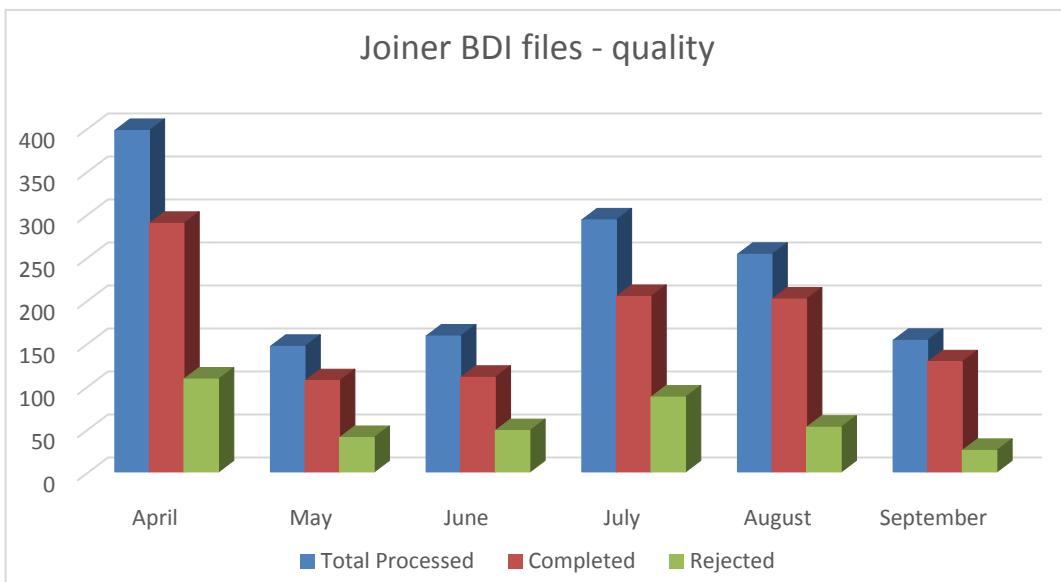
REDUCTION IN OUTSTANDING DATA ITEMS



- 3.8 The Fund is working with employers to support an acceleration in the reduction of outstanding data. Regular updates and meetings are being held with key employers and performance is being monitored on a regular basis.

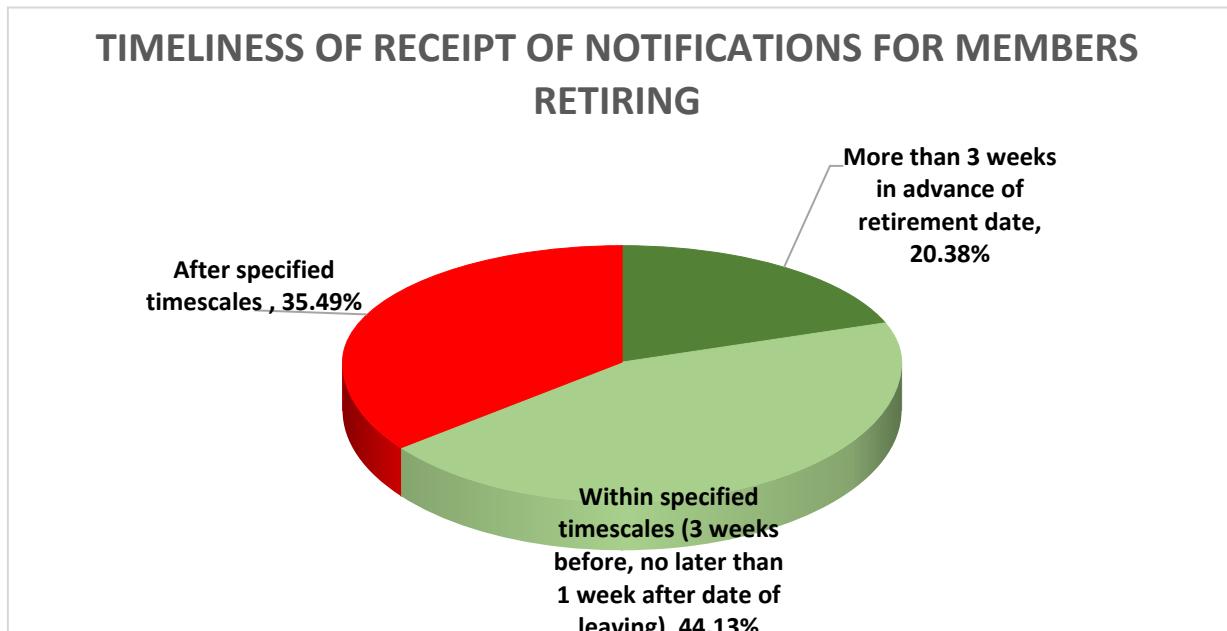
4.0 Employer performance against the Pension Administration Strategy

- 4.1 Alongside monitoring outstanding data items, the Fund is reviewing and enhancing the performance management framework for performance against the employer standards specified in the PAS. The performance standards focus on timeliness and quality and covers, but is not limited to, the following key areas:
- Submission of joiner information
 - Notification of leavers (early leaver and retirees)
 - Submission of annual return data
 - Response to queries raised by the Fund
- 4.2 From April – September 2016 the Fund received a total of 1400 bulk joiner files from employers. On average the Fund rejected 25% of the joiner data files received due to the quality of the data provided, this can be due to missing mandatory fields or incorrect formatting. Employers are required to notify the Fund of new joiners to the scheme within 6 weeks of a member joining. On average from the files submitted from April – September 2016, the average timeframe was 4 months and 1 day.
- 4.3 The Fund monitor on an individual employer basis the reasons for and volume of files being rejected and these will be fed back to employers on a quarterly basis.



- 4.4 Employers are required to notify the Fund when members leave employment either as an early leaver or due to retirement. To enable the efficient processing of member benefits there are specified timescales for notifying the Fund.

- 4.5 From April – September 2016, 65% of retirement notifications were received either in advance of or within the specified timescale of 3 weeks before and no later than 1 week after the date of leaving. An average timescale of 5.77 days (following the date of retirement) was achieved across all employers.



- 4.6 The Fund are engaging with employers in regards to their performance against these standards, to highlight areas for improvement, to understand the issues they experience and where further support can be provided.
- 4.7 The employer performance for the 2016 annual return process was reported in the Data Quality report for the September Committee meeting. Work is underway to review the process and performance of responding to queries raised by the Fund. This is being managed as part of a wider review to improve efficiency and accuracy of data at the point of submission.

5.0 Transition to monthly data and contribution submissions with employers

- 5.1 To support with improving data quality going forward, the Fund is transitioning to more frequent exchanges of data with employers. The aim will be to receive one file (in a standard format) a month (by 19th) from employers which will consolidate three current methods of data exchanges with employers. This monthly submission will enable the Fund to process new joiners, member changes, post employee and employer contributions, identify leavers and produce a financial remittance advice on a monthly basis.

- 5.2 This regular exchange of data with employers will improve the quality of the data held by the Fund and automate the financial reconciliation process. It is envisaged that it will also reduce the volume of work required by employers to meet their statutory requirements and the number of individual processes to be completed by the Fund. It must be noted that these efficiencies will be realised in the long term, and this is a fundamental change to the way the Fund and employers exchange data and will require significant input from both parties during its implementation.
- 5.4 During September - November, the Fund has held a number of workshops with employers about the upcoming transition to monthly submissions. These sessions were well attended and in total, 130 representatives from 121 organisations attended these sessions. These sessions provided an overview of the benefits and efficiencies we anticipate employers will see from this change and what the process will involve for employers. The sessions were well received by employers and 100% of attendees found the sessions useful. In addition, the Fund have received interest from a number of employers to be involved in piloting the new functionality in early 2017.
- 5.5 The Fund are currently testing the new functionality, and will be piloting the new process with a range of employers from January 2017. The new process will be live from April 2017, with all employers transitioned by September 2017.

6.0 Financial implications

- 6.1 The late receipt of membership data and/or data errors can increase the administration cost of the Fund. Scheme regulations enable the Fund to recover additional costs incurred as a result of poor employer performance. As detailed above the Fund is in the process of issuing charges to recover costs for the late submission of annual return files. The Fund are also looking at recharging for additional costs incurred for additional work required for the resolution of large volumes of outstanding data.

7.0 Legal implications

- 7.1 The Fund has a legal duty to meet with legislation and statutory best practice, failure to do so may open the fund to challenge from the Pensions Regulator or the National Scheme Advisory Board.
- 7.2 The Fund is able to impose penalties on employers (to cover any fines or costs incurred) through its adopted pension administration strategy.

8.0 Equalities implications

- 8.1 There are no implications contained within this report

9.0 Environmental implications

- 9.1 There are no implications contained within this report

10.0 Human resources implications

9.1 There are no implications contained within this report

11.0 Corporate landlord implications

11.1 There are no implications contained within this report

12.0 Schedule of background papers

12.1 West Midlands Pension Fund, Pensions Administration Strategy 2015
<http://www.wmpfonline.com/CHttpHandler.ashx?id=6944&p=0>

12.2 Public Service Pensions Act 2013
<http://www.legislation.gov.uk/ukpga/2013/25/contents>

12.3 The Pensions Regulator's code of Practice
<http://www.thepensionsregulator.gov.uk/doc-library/codes.aspx>

12.4 The Scheme Advisory Board's statutory guidance.
<http://www.lgpsboard.org/index.php/about-the-board/board-guidance>

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Pensions Committee

7 December 2016

Report Title	Pensions administration report from 1 July to 30 September 2016		
Originating service	Pension Services		
Accountable employee(s)	Simon Taylor Tel Email	Head of Client and Funding Management 01902 554276 Simon.taylor2@wolverhampton.gov.uk	
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 551715 Rachel.brothwood@wolverhampton.gov.uk	

Recommendations for action or decision:

The Committee is recommended to:

1. Approve the write-offs detailed in section 8.0 of this report.

Recommendations for noting:

The Committee is asked to note:

1. The applications approved by the Strategic Director of Pensions and the Chair or Vice Chair of Pensions Committee for admission to the West Midlands Pension Fund.
2. The pensions administration activity for both the West Midlands Pension Fund (the Main Fund) and the West Midlands Integrated Transport Authority Fund (the WMITA Fund).

1. Purpose

- 1.1 To inform Committee of the work undertaken by the pensions administration service during the period 1 July to 30 September 2016 for both the Main Fund and the WMITA Fund.

2. Background

- 2.1 The Fund provides a pension administration service to its stakeholders, which covers employer, customer and member services, data management, benefit operations, payroll and systems/technical support. A report is provided to Committee on a quarterly basis to cover the activity and performance of these functions during that period.

3. Scheme Activity

3.1 Membership movement – Main Fund

- 3.1.1 The total number of scheme members in the Fund at 30 September 2016 stands at 294,160, with an overall increase since June 2016 of 1,360. The long-term trend over a 12 year period in membership is set out in (Appendix A) which illustrates a move towards a more mature profile whereby, in general, active memberships are falling and pensioners and deferred membership increasing. Over the course of the last four years, however, the number of active membership records has increased. We expect the active membership numbers to fall as many employers continue to reduce head count but note the combination of members with multiple posts, auto enrolment and a lag in receipt of joiner/leaver information mean this is not yet reflected in Fund data.

3.2 Membership movement – WMITA Fund

- 3.2.1 The number of scheme members in the WMITA Fund in all three categories stood at 5,099 on 30 September 2016, 9% are active members, 16% are deferred and the largest group are pensioner members at 75% of the total membership. The Fund is closed to new joiners but active members continue to accrue benefits. Detailed below is the current information showing movements between 30 June 2016 and 30 September 2016.

	Membership as at 30th June 2016			Movements during the period			Membership as at 30th September 2016		
	National Express	Preston Bus Ltd	Total	National Express	Preston Bus Ltd	Total	National Express	Preston Bus Ltd	Total
Active Members	458	0	458	-18	0	-18	440	0	440
Deferred Members	785	16	801	-8	0	-8	777	16	793
Pensioner Members	3,730	119	3,849	18	-1	17	3,748	118	3,866
Total Members	4,973	135	5,108	-8	-1	-9	4,965	134	5,099

3.3 Workflow statistics – Main Fund

- 3.3.1 The process analysis statistics (Appendix B) show details of overall workflow within the Pensions Administration Service during the period 1 July to 30 September 2016.
- 3.3.2 During the period covered by this report 39,154 administrative processes were commenced and 34,098 completed. On 30 September 2016 there were 30,266 items of work outstanding. Of this, 3,611 items were in pending as a result of information awaited from a third party e.g. scheme members, employers or transferring authorities. Within pensions administration, 26,561 processes are now either proceeding to the next stage of the process or through to final completion.
- 3.3.3 The number of active processes remains high, however, from 1 July 2016 – 30 September, the Fund has seen a slight decrease in the volume received. The total number of processes outstanding remains due to a backlog which was created through the late issuance of the Statutory Increase Order in 2016 and recent changes to a number of calculation factors (as determined by the Government Actuary Department). In addition, as part of the increased focus on data quality a number of additional processes have been started and historic outstanding work is now being actioned by employers.
- 3.3.4 The Fund is implementing a number of work programmes to target key processes where high volumes exist. Initial focus has been on the processing of retirement benefits and progress has already been achieved in reducing these volumes and the processing timescales from 8 weeks to 3-4 weeks. Other areas of focus include deferments (set up and issue of deferred pension record for early leavers) and the transfer of benefits to other schemes.
- 3.3.5 A detailed analysis of the key processes across all operational functions e.g. calculating benefits for retirements, pensioner member data changes as well as the maintenance of updating membership details is shown in (Appendix C).

3.4 Workflow statistics – WMITA Fund

- 3.4.1 During the period covered by this report 582 administrative processes were commenced and 568 completed. On 30 September 2016 there were 184 items of work outstanding.

3.5 Employer membership data

- 3.5.1 The Main Fund continues to see an increase in employer membership, due mainly to the establishment of academies and outsourced local government contracts, with 25 new organisations being admitted during the period 1 July 2016 – 30 September 2016. The current number of employers as at 30 September 2016 is 570. The level of on-going work being processed at the end of the period is as follows:-
 - 48 admission agreements
 - 23 academies
 - 37 employer terminations

3.6 Customer services

- 3.6.1 An overview of our front-line customer contact activity is shown in Appendix D. This outlines the variety and volume of support provided by the Fund to address members' fundamental pension queries.
- 3.6.2 An indication of the statistics for the previous year is included within the charts as a comparative measure. Overall we continue to see an increase in enquiries and greater use of electronic communication.
- 3.6.3 We continue to provide a high quality response rate at first point of contact for telephone calls and pension fund enquiry emails. Due to high volumes of calls following the production of benefit statements and NIL ABS letters to active members at the end of August, the Fund narrowly missed the Key Performance Indicator (KPI) of 85% or above for call response rate, achieving 83.90% in September.
- 3.6.4 The majority of pension fund enquiries received (97%) are responded to immediately by the Customer Services team. Those emails which aren't resolved immediately start a new process on the UPM administrative system or are added to an existing operational/payroll process as they require completion by the Operational or Payroll teams. These will include requests for fund values to be calculated, retirement forms etc.

4. IDR (Internal Dispute Resolution Procedure) casework

- 4.1 So far in the 2016/2017 financial year there have been three cases referred to Stage one of the procedure against the Fund. All three appeals were dismissed.
- 4.2 The cases dismissed at stage one related to:
 - Being unable to take 25% tax free cash from the AVC as the member was not eligible to take their main scheme benefits.
 - Appeal against the 85 year rule not applying after taking flexible retirement.
 - Incorrect calculation of service on deferred benefits.
- 4.3 Fourteen cases have been received for stage 2 investigation. Seven cases have been dismissed and five cases are on-going, and two have been up-held. Those that were upheld, one related to the delay in payment of an AVC and the other was in regards to the early payment of deferred benefits on ill health.
- 4.4 The five cases dismissed at stage 2 related to the following pension issues:
 - Exercise of employer discretion on the early payment of deferred benefits from age 55.
 - Additional pension not awarded by the employer.
 - Transfer of previous pension benefits not allowed to proceed as outside the 12 month period.

5. Death grant

- 5.1 So far in this financial year three cases have been referred to the Legal Department for consideration. One case is on-going and the other two cases have successfully been resolved.

6. Application for admission body status

- 6.1 Organisations must satisfy one or more of the admission criteria before they can be admitted to the Main Fund following Pensions Committee approving the applications. Sometimes a decision is required which is not compatible with the cycle of Pensions Committee meetings. In these circumstances, Pensions Committee has delegated responsibility for approving such applications to the Strategic Director of Pensions in consultation with the Chair or Vice Chair of Pensions Committee.
- 6.2 The table below lists the applications received for admission to the West Midlands Pension Fund which have been approved by the Strategic Director of Pensions and either the Chair or the Vice Chair of Pensions Committee.

Employer name	Guarantee Status (Agreement)	No of employees (Scheme members) Agreement type	Status
Schools Plus Ltd (John Henry Newman Catholic College)	John Henry Newman Catholic College	1(1) Closed	Approved
Aspens-Services Ltd (Hillcrest School)	Hillcrest School and Sixth Form Centre	6(6) Closed	Approved
Taylor Shaw Ltd (Broadway Academy)	Broadway Academy	8(8) Closed	Approved
Taylor Shaw Ltd (Chivenor Primary School)	Griffin Schools Trust	4(4) Closed	Approved

7. Pensions in payment

7.1 Pensions in payment – Main Fund

The gross annual value of pensions in payment for the Main Fund to September 2016 was £445m, £17.1m of which (£8.3m for pensions increase and £8.8m for added year's compensation) was recovered from employing authorities and other bodies as the expenditure was incurred.

- 7.2 Monthly payroll details for the Main Fund were:

Month	Number	Value £
July 2016	72,938	30,923,166
August 2016	71,178	31,021,816
September 2016	80,290	31,715,102

The September figure includes pensioners paid on a quarterly basis

- 7.3 **Pensions in payment – WMITA Fund**

The gross annual value of pensions in payment for the WMITA Fund to September 2016 was £25m, of which £5,400 for added year's compensation was recovered from employing authorities and other bodies as the expenditure was incurred.

- 7.4 Monthly payroll details for the WMITA Fund were:

Month	Number	Value £
July 2016	3,781	1,818,145
August 2016	3,788	1,843,680
September 2016	3,855	1,848,276

The September figure includes pensioners paid on a quarterly basis.

8. Write-off policy decisions

A write –off relates to pensions overpaid to members, after following the debt recovery policy, these cases become uneconomical to pursue or the estate has insufficient funds to recover. In general, an overpayment is generated by late notification of death of members.

A write-on relates to monies due to the members estate in order to make pension payments up to date of death. After correspondences, the legal representative is untraceable or does not wish to claim the funds.

8.1 Write-off analysis

The following write-offs of pension payments are reported in line with the Fund's policy:

Individual Value	Main Fund		WMITA Fund	
	Number	Total	Number	Total
Less than £100	0	0.00	0	0.00
£100 - £500	18	2,900.88	1	448.54
Over £500	3	4,067.19	0	0.00
TOTAL	21	6,968.07	1	448.54

8.2 Write-on analysis

Individual Value	Main Fund		WMITA Fund	
	Number	Total	Number	Total
Less than £100	6	247.70	0	0
£100 - £500	0	0.00	0	0
Over £500	0	0.00	0	0
TOTAL	6	247.70	0	0

9. Member and Employer Engagement

9.1 Web Portal

- 9.1.1 Work is continuing to increase awareness of the web portal facility for members and employers. There are currently over 45,000 members registered to use the web-portal facility with over 27,000 of those having been authenticated as at 30 September 2016. A breakdown of those registered and authenticated between the Main Fund and WMITA is provided below:

Registered and authenticated

WMITA - 584

WMPF – 26,828

- 9.1.2 With the Fund increasing the functionality available on web portal and electronic working, we continually seek feedback on the services provided by the web portal to ensure they meet user's needs. As part of this review, the Fund have improved the registration process for members, enabling the issue of activation codes to authenticate accounts via email rather than through the post. This change not only reduces work for Fund Officers, but is a more efficient process for the member. An analysis will be produced of the impact of this change and will be reported at the next Committee meeting.

9.2 Member Services

9.2.1 In total, the Member Services Team has assisted 901 members with pension related information over this period.

9.2.2 Presentations

Fund officers have continued to deliver presentations upon request from employers. The team provide support on any pension topics that are requested by an employer for their employees.

The emphasis during this reporting period has been:

- Planning, developing and enhancing our service.
- Welcoming new staff to our team and producing a Member Services development plan.
- Supporting those members who are at risk of redundancy or maybe facing reductions in pay.
- Providing an overview of the scheme and communicating the benefits the scheme offers.

A total of 9 Fund presentations were delivered to 107 attendees, these presentations were held at 9 different employers, including the district councils, universities, schools/academies and other admitted bodies.

The feedback from these presentations was 31.75% of the members rated them as excellent, 56% as very good, 11.75% as good and 0.5% as satisfactory.

The Fund works in partnership with Prudential to deliver a joint presentation covering how the Scheme works and tax efficient methods of saving towards the future. During this period 13 of these presentations were delivered across 5 employers, 417 members attended.

9.2.3 Roadshows

During this reporting period the Fund started to deliver Roadshow events at our local authority sites. The roadshow Statistics for this reporting period are:

Location	Attendees
Dudley M.B.C.	37
Birmingham C.C	95
Walsall M.B.C.	39
Coventry City Council	106
Totals	277

9.2.4 Additional Support

Further support has also been provided to members either through drop in sessions or scheduled one to one support sessions. In total, additional support was delivered to 104 members on an individual basis.

10. GMP Reconciliation

- 10.1 Contracting out of the state second pension (formerly SERPS) on a Guaranteed Minimum Pension (GMP) basis operated between 1978 and 1997. However, in April 2016 the Government replaced the earnings-related state pension arrangements with a single-tier State Pension.
- 10.2 The introduction of the single-tier state pension from April 2016 has brought about the end of contracting out for defined benefit (DB) schemes and has triggered a requirement for schemes to reconcile their contracted out membership and GMP records with those held by HM Revenue & Customs (HMRC).
- 10.3 GMP reconciliation allows administrators to check their contracted out records against those held by HMRC, resolving any differences between the two sets of records. HMRC have set up a Scheme Reconciliation Service (SRS) to assist pension scheme administrators to reconcile their records for all non-active members (which includes; Early leaver, Pensioner, Widow, Widower/Civil Partner, Incomplete record) against HMRC records in advance of the ending of contracting-out in April 2016.
- 10.4 This work for the Fund is being managed in 3 key stages:
 - Stage 1: Data Analysis
 - Stage 2: GMP reconciliation cycle
 - Stage 3: Active member reconciliation (January 2017 – December 2018)
- 10.5 The Fund is progressing with Stage 1, which involves the reconciliation of the data it holds against the record of HMRC and has engaged with a third party reconciliation provider, Equiniti who are completing a detailed analysis of the two sets of data. Following initial analysis discrepancies will be issued in bulk to HMRC requesting further information. It is anticipated that this initial work will be completed by the end of 2016.
- 10.6 Following this piece of work, the Fund will be able to understand the full scope of the reconciliation work that will be involved.

11. Financial implications

- 11.1 The report contains financial information which should be noted.
- 11.2 Employees of organisations who become members of the Local Government Pension Scheme will contribute the percentage of their pensionable pay as specified in the Regulations. The Fund's actuary will initially, and at each triennial valuation, set an appropriate employer's contribution rate based on the pension assets and liabilities of the individual employer.

12. Legal implications

- 12.1 The Fund on behalf of the Council will enter into a legally binding contract with organisations applying to join the Local Government Pension Scheme under an admission agreement.

13. Equalities implications

- 13.1 This report has implications for the Council's equal opportunities policies, since it deals with the pension rights of employees.

14. Environmental implications

- 14.1 The report contains no direct environmental implications.

15. Human resources implications

- 15.1 This report has implications for the Council's human resources policies since it deals with the pension rights of employees.

16. Corporate landlord implications

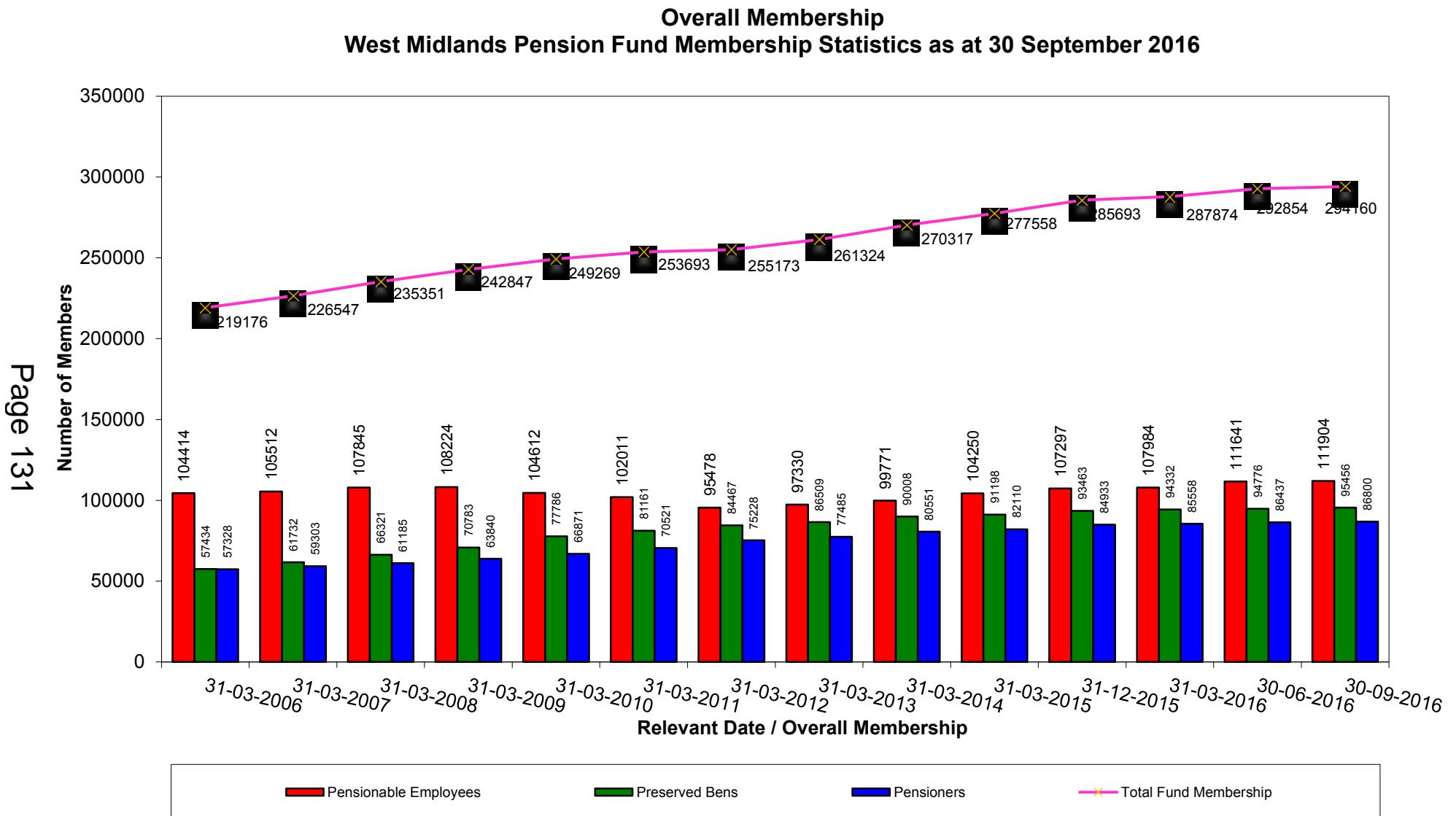
- 16.1 The report contains no direct corporate landlord implications.

17. Schedule of background papers

- 17.1 None.

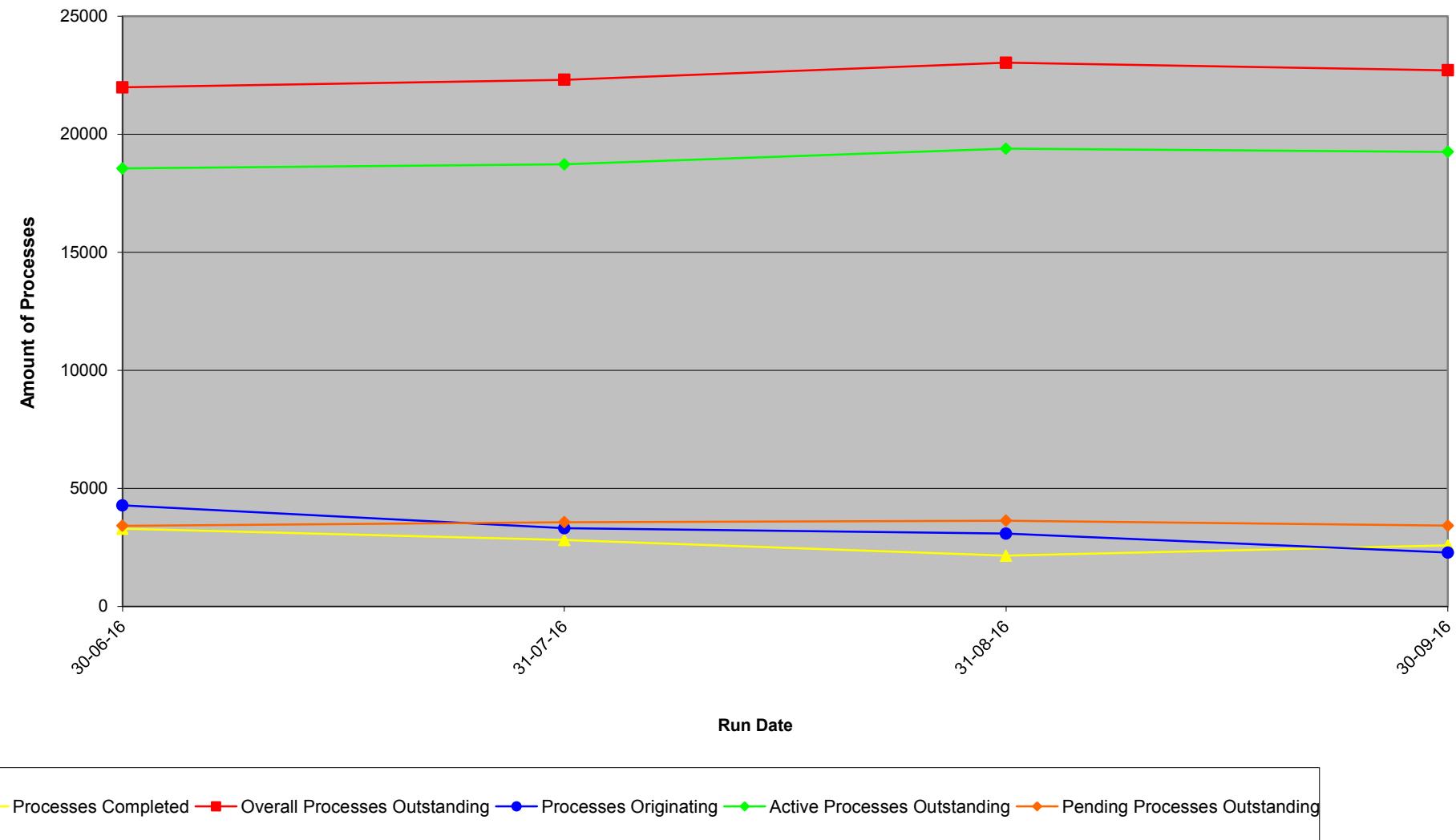
18. Schedule of appendices

- 18.1 Appendix A: Overall membership numbers
18.2 Appendix B: Process analysis
18.3 Appendix C: Detailed process analysis
18.4 Appendix D: Customer service statistics



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Process Analysis



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2016/17

2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	April	May	June	July	August	September	YTD 2016/17
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Active & Deferred members

Process type													
Joiners and Rejoiners (Bulk)	8,763	6,403	11,138	13,558	9,816	16,688	3,413	1,088	792	1739	1619	1037	9,688
Changes in circumstances eg change in hours	18,759	15,303	12,385	11,273	6,391	8,752	651	417	462	631	737	570	3,468
Deferments	5,939	7,818	5,741	6,728	5,664	8,340	864	561	553	518	788	766	4,050
Active Retirements (Employer retirements)	3,317	3,950	2,475	2,279	2,351	2,775	260	168	211	264	333	242	1,478
Deferred Retirements	3,332	2,970	2,971	2,726	2,301	3,421	280	279	496	296	266	184	1,801
Deaths of members	295	262	287	285	230	379	34	33	50	38	28	19	202

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Pensioner members

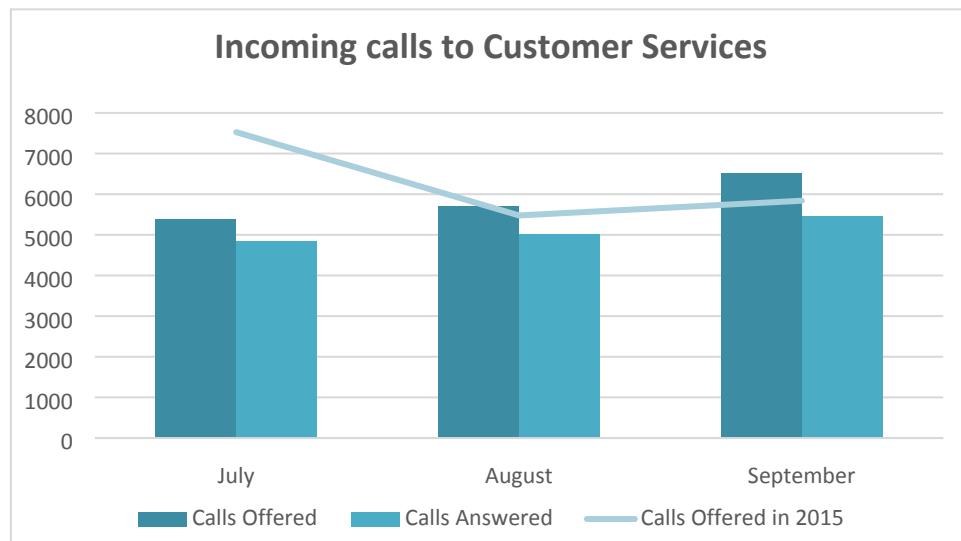
Process type													
Changes in circumstances:-													
Data eg Passwords, NI Numbers	1,310	1,804	1,865	2,017	2,604	4,548	151	146	259	208	198	264	1,226
Changes of Address	2,420	2,681	2,131	1,732	1,733	2,237	291	306	242	194	196	199	1,428
Changes of Bank	2,927	2,531	2,783	3,420	3,281	1,573	310	211	216	150	189	177	1,253
Deaths of pensioners	2,085	2,145	2,101	2,546	2,454	1,702	237	231	247	187	207	231	1,340

Payroll								Monthly	Monthly	Quarterly	Monthly	Monthly	Quarterly
Actual number paid	792,724	837,189	870,804	895,018	913,864	888,954	72,622	72,595	79,468	72,938	71,178	80,290	449,091

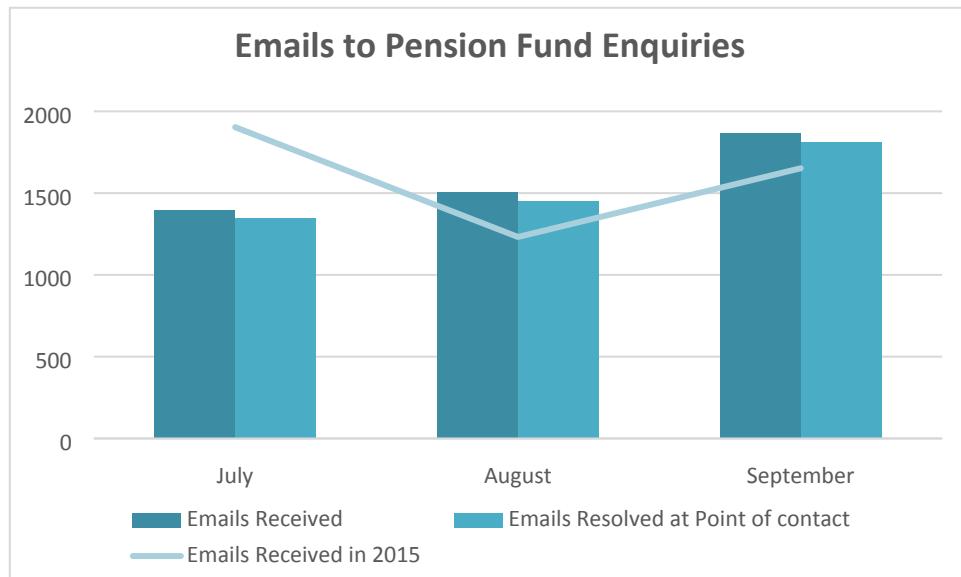
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West Midlands Pension Fund
Customer Service Statistics 1 July 2016 to 30 September 2016

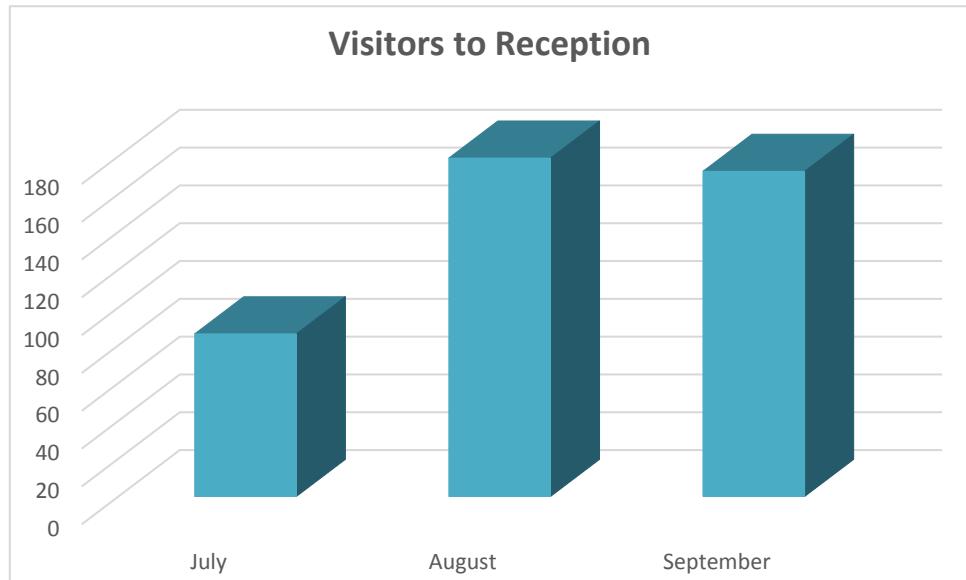
Appendix D:



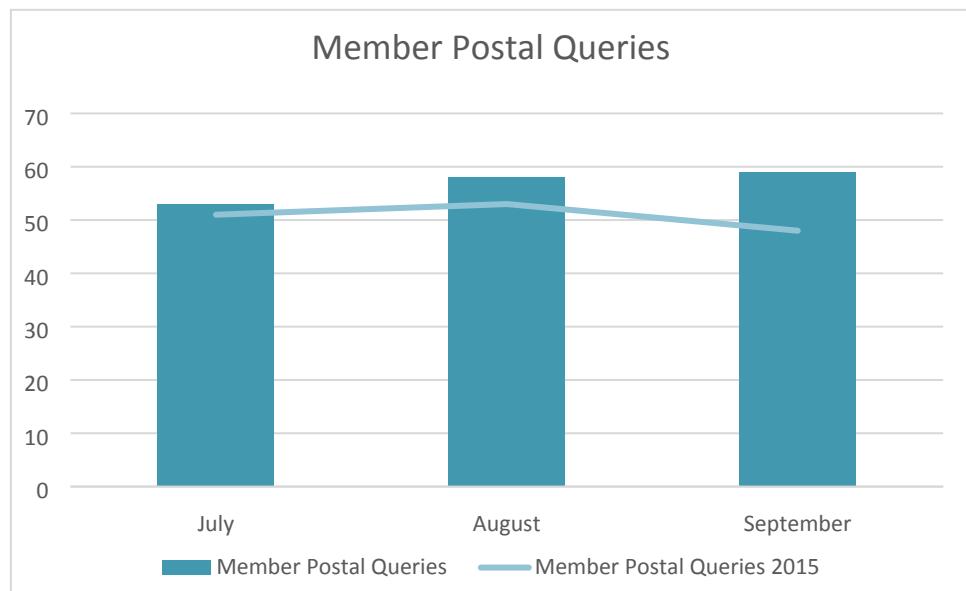
	July	August	September
Calls Offered	5384	5697	6503
Calls Answered	4825	5019	5458
Answer Rate	90.11%	88.10%	83.90%



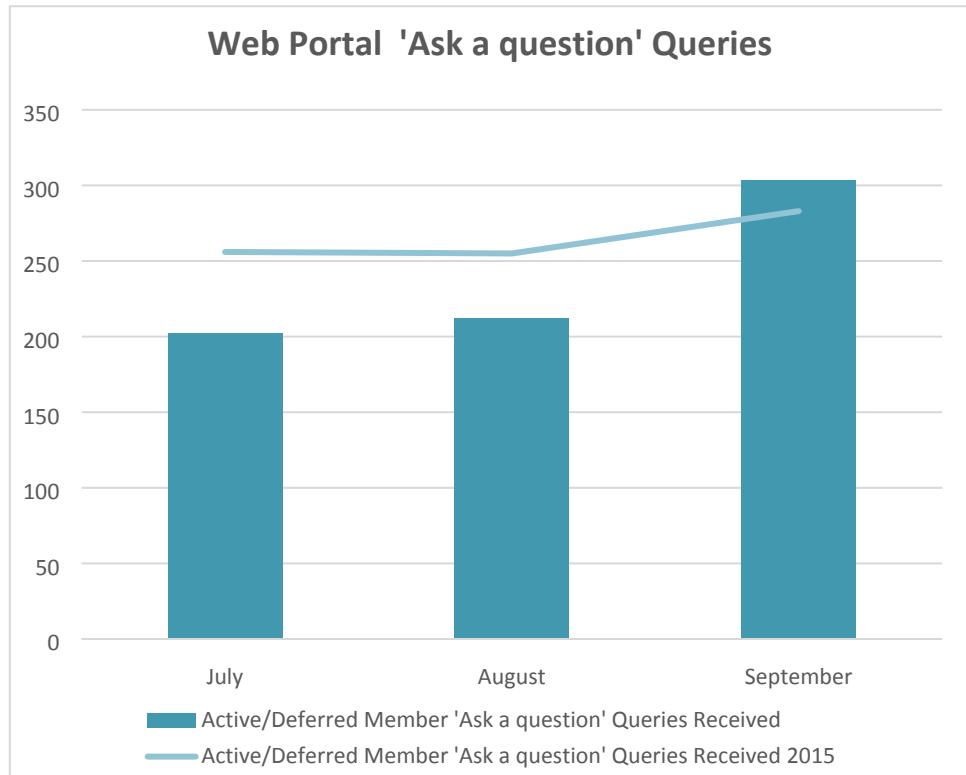
	July	August	September
Emails Received	1399	1507	1865
Emails Resolved at Point of contact	1347	1450	1812
% of emails resolved at point of contact	96.28%	96.21%	97%



	July-16	August-16	September-16
Visitors to Reception	86	179	172



Member Postal Queries	
July	53
August	58
September	59



**Active/Deferred
Member 'Ask a
question' Queries
Received**

July	202
August	212
September	303

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