

Time 2.00 pm **Public Meeting?** YES **Type of meeting** Pensions

Venue Meeting Room 1, 6th Floor - Mander House, Mander Centre, WV1 3NB

Membership

Employer Representatives

Jan Britton
Paul Johnson
Caroline Jones
Joe McCormick
Councillor Sandra Samuels OBE
Mike Sutton (Chair)

Member Representatives

Sharon Campion (Unison)
Cllr Hazel Malcolm
Annette King (GMB) (Vice-Chair)
Lee Nash (Unite)
Paul Sayers (UCATT)
Adrian Turner (Unison)

Quorum for this meeting is seven

Information for the Public

If you have any queries about this meeting, please contact the Democratic Services team:

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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 | Declarations of interests (if any) |
| 3 | Minutes of the previous meeting - 5 July 2017 (Pages 3 - 10)
[For approval] |
| 4 | Matters arising
[To consider any matters arising from the minutes of the previous meeting] |
| 5 | Pension Board Appointments 2018/2019 (Pages 11 - 18)
[To seek nominations to the Pensions Board for 2018/2019] |
| 6 | Regulatory Update Report 2018 (Pages 19 - 72)
[To provide a Regulatory update on the Local Government Pension Scheme and to outline how the Fund is proposing to manage these] |
| 7 | Pension Board Workplan 2018/2019 (Pages 73 - 98)
[To approve the workplan for the forthcoming year and to present the Board's training record for 2017/2018 and to identify needs for 2018/2019] |
| 8 | Customer Engagement Update (Pages 99 - 126)
[To provide an update of the Fund's customer engagement activity to date, in line with its Customer Engagement Strategy] |
| 9 | Data Quality Quarterly report (Pages 127 - 148)
[To provide an update on the work of the Fund in the area of data quality and to provide assurance for the action the Fund is talking with employers to improve data] |
| 10 | Investment Pooling update (Pages 149 - 156)
[To present an update on progress with the implementation of LGPS Central in response to Government legislation requiring LGPS Funds to pool investments] |

Pensions Board

Minutes - 5 July 2017

Attendance

Members of the Pensions Board

Employer representatives

Paul Johnson
Caroline Jones
Joe McCormick
Cllr Sandra Samuels OBE
Mike Sutton

Member representatives

Sharon Campion
Lee Nash

Employees

Rachel Brothwood	Director of Pensions - West Midlands Pension Fund
Dereck Francis	Democratic Services Officer
Rachel Howe	Head of Governance - West Midlands Pension Fund
David Kane	Head of Finance - West Midlands Pension Fund

Part 1 – items open to the press and public

Item No. *Title*

1 **Election of Chair**

Resolved:

That Mike Sutton be elected Chair of the Board for the remainder of the 2017/18 Municipal Year.

Following the election of the Chair, Cllr Sandra Samuels OBE thanked the Board and its officers for their support during her two years as Chair of the Board.

In turn, the Chair thanked Cllr Samuels for setting the foundation stones for the Board which he looked forward to building on.

2 **Election of Vice-Chair**

Resolved:

That Annette King be elected Vice-Chair of the Board for the remainder of the 2017/18 Municipal Year.

- 3 **Apologies for absence**
Apologies for absence were submitted on behalf of Annette King, Adrian Turner and Paul Sayers. It was also reported that Paul Sheehan had stood down from his role on the Pensions Board. He would be retiring and would therefore no longer be eligible to serve as an employer representative on the Board. It would now be necessary to convene an Appointments Panel to consider any nominations received to fill the vacancy.
- 4 **Declarations of interests**
No declarations of interests were made.
- 5 **Minutes of the previous meeting - 24 January 2017**
Resolved:
 That the minutes of the previous meeting held on 24 January 2017 be approved as a correct record and signed by the Chair.
- 6 **Matters arising**
With reference to minute no.5 (Pensions Board Appointments Process), Sharon Campion sought clarification on the appointments process as it was her understanding that an Appointments Panel would only be convened where more than one nomination had been received for a vacancy.
- Rachel Brothwood, Director of Pensions reported that in the event that multiple applications are received for a vacancy an Appointments Panel would be required to interview, select and recommend persons appointed to the Board. Where only one nomination was received for a vacancy the Appointments Panel would still need to consider the applicant and specifically the nominee's ability to fulfil their duties of knowledge and capacity to perform the role. In both circumstances, the panel will need to consider maintenance of a broad representative group of the Funds employer and member base and review diversity and skill sets required, to determine whether the applicant would be suitable for the Board.
- The Board was invited to determine the composition of an Appointments Panel to consider applications received for an employer representative on the Board to fill the vacancy occasioned by Paul Sheehan standing down from the Board.
- Resolved:
 That an Appointments Panel comprising the Chair and Vice-Chair the Board (Mike Sutton and Annette King), Adrian Turner and Joe McCormick, and the Strategic Director of Pensions (or her nominee) be convened to consider nominations received for an employer representative on the Board to fill the vacancy on the Board.
- 7 **Data Quality and Employer Performance**
Rachel Howe, Head of Governance presented the salient points of the update report on: progress being made by the Fund to continue to improve data quality; a summary of plans in place to make further improvements to data quality; and on the performance of employers against key performance standards as detailed in the Pension Administration Strategy (PAS).

Paul Johnson queried whether, as an employer representative, he should also be monitoring the data quality and performance against key standards within his organisation. He indicated that he would welcome a brief template containing the key indicators for improvement in order that he could review performance within his organisation and take appropriate action where necessary. The Head of Governance advised that this area was something that the Pension Service was looking to build on, and an employer dashboard something that the service was keen to look at.

Rachel Brothwood, Director of Pensions added that the Fund could write to the larger employers, setting out the areas it would be measuring to assist them in their review of performance in those areas.

Joe McCormick suggested that there might be a gap in the skills and knowledge of those employers and particularly at academies, who had not submitted to the Fund their files containing new joiners, member changes, member/employer contributions.

The Chair also asked whether the Fund benchmarked when it looked at key performance indicators. The Head of Governance confirmed that the comparisons occurred at a Fund level. The functionality was not yet available within its current systems to perform this more routinely. However it was something that the Fund was looking to do.

Caroline Jones noted that the Fund had tightened up on its monitoring processes but issues dated back to 2012 that were now being highlighted. The Head of Governance reported that 34% of data errors were recurring errors.

Resolved:

1. That the progress and the actions being taken to continue to improve data quality be noted.
2. That the performance of employers against key standards set out in the Pension Administration Strategy be noted.
3. That the progress and implementation of the monthly returns programme with scheme employers be noted.

8 **General Data Protection Regulations (GDPR) update**

Rachel Howe, Head of Governance presented the update report on the work of the Fund in preparing for the changes under GDPR.

In response to questions, the Head of Governance reported on the take up of the pensions web portal. 51,200 scheme members had registered to use the web portal, however, 11,000 had yet to activate their account following registration. A communication is being issued to ask these members to activate their account. The activation process would be quicker under the new web portal. Automatic registration to the portal of new scheme members was something that the Fund will consider. In terms of where the GDPR fitted in with the Fund's administering authority, the Head of Governance reported that the Fund came under City of Wolverhampton Council (CWC). The Fund also met with CWC's Information Governance Team whom like the Fund had a good Information Governance structure. In addition, from a recent audit the Fund had achieved Level 3 for its IG function but it was operating at a higher level.

Sharon Champion congratulated the Fund on the new web portal which looked better and was more user friendly.

On the progress made with tracing of the Fund's deferred members, Rachel Brothwood, Director of Pensions reported that a process for routinely bulk tracing member addresses was being considered to keep records of former members more up to date. She also reported that Rachel Howe was now the Chair of the LGA Pension Communications Group and through her the Fund was looking to share and seeking support with its work on the GDPR work programme and active communications nationally.

Resolved:

That the work of the Fund to prepare for the changes under GDPR be noted.

9 **Annual Governance Report 2017**

Rachel Howe, Head of Governance presented the report on the work undertaken by the Fund in relation to its governance.

Cllr Sandra Samuels OBE asked whether the Board Members had to undertake data protection training. The Head of Governance reported that Ward Councillors would receive specific training as part of the training they would receive on their role as a Ward Councillor. In relation to Board members from the Trade Unions, it was assumed that as part of the training on their specific role as Trade Unions officials they would also receive training on data protection. If that was not the case, the Head of Governance invited the Trade Union nominated Board members to contact her so that relevant training on the General Data Protection Regulations can be organised.

Members of the Board commented that the member engagement events were a huge success and were well attended. They suggested that more events could be held to encourage members to attend. The Head of Governance reported that the Fund hoped to film some of its presentations in the future and upload them onto the website.

The Chair commented that the 85% attendance record for the Fund's Board members during 2016/17 was good and he thanked the Board members for their commitment over the year.

The Head of Governance added that the Pension Board training hours had also been good during the last year but not all had recorded the required 22 hours. She asked Board members to ensure that they undertook the 22 hours reading and to credit their training logs that they would be receiving from Jane Hazeldine, Trustee Management Officer. She also asked for feedback from the Board members on any topics they would like to see included in the training plan.

Resolved:

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

10 **Regulatory Update 2017**

Rachel Howe, Head of Governance presented the report on regulatory updates and guidance from national bodies and on steps taken by the Fund to ensure its compliance.

Sharon Champion noted from the report and discussions in wider forums that the Fund was the industry leader in promoting transparency in the reporting of investment management costs. She commented that her understanding was that some Funds were not disclosing their full costs.

In response to the Chair's query the Head of Governance reported that the small percentage of complaints received about scheme benefit administration were varied and related to delays, communication and policy themes. The complaints are regularly reviewed by the Fund to identify themes and actions needed to avoid in future.

Jo McCormick asked to be updated on the outcomes report produced by PWC on the review of academies within the LGPS Following the default of an academy within the Fund, the scope of guidance and associated payments to the Fund had been discussed with the Department for Education and from those discussions there is an intention to meet all costs if an academy defaults on its pension liabilities.

Resolved:

1. That the regulatory updates from the Scheme Advisory Board and the Pensions Regulator and the work of the Fund to ensure it has effective arrangements in place to ensure compliance.
2. That the Fund's data improvement plan be submitted to a future meeting of the Board once it has been updated.

11 **Annual Report and Accounts 2016/17**

David Kane, Head of Finance presented the report on the preparation, approval and audit of the draft annual report and accounts for the year ending 31 March 2017. The document contained the reports and accounts for both the Fund and the West Midlands Integrated Transport Authority (ITA). A four-sided summary of the draft annual report was also available.

Resolved:

1. That it be noted that the draft accounts have been prepared and certified by the Section 151 Officer as required by regulations.
2. That it be noted that the draft annual report and accounts for West Midlands Pension Fund were approved by Pensions Committee on 21 June 2017, and would now be subject to audit by the Fund's external auditors, Grant Thornton, with the final version, including their audit opinion, to be reported to the Committee in September;
3. That it be noted that the audit of the accounts for the West Midlands Integrated Transport Authority (ITA) Pension Fund is nearing completion, and the auditors anticipate issuing an unqualified opinion.

12 **Customer Engagement and Service Developments**

Rachel Brothwood, Director of Pensions outlined the salient points of the update report on the work of the Fund on customer engagement, and associated service delivery.

In response to questions it was reported that:

- Secure messaging' on the web portal was a new feature that may in time replace email. The Fund would support roll out by ensuring the need to support roll out by ensuring officers with the right skills were in place to manage this type of media and the potential further increase in electronic communications.
- Introducing a notice board feature to the employer web portal was something that has been discussed and will be investigated.

Resolved:

1. That the customer engagement activity for the period be noted
2. That the results and proposed actions arising from the annual employer survey be noted.
3. That the service developments, in particular the breach report submitted to the Pensions Regulator and the associated action to date be noted.

13

Policies Review 2017

Rachel Howe, Head of Governance presented for review an overview of the Fund's statutory and good practice policies for the year 2017/2018.

One of the Board's duties is to review the key Fund's policies throughout the year and feedback and comments in accordance with this timetable which would be revisited at each meeting.

Resolved:

1. That the annual review of Fund key policies underpinning the Fund strategy and governance arrangements together with the programme of review scheduled for the year be noted.
2. That the customer engagement plan, the communications and customer feedback policies and governance compliance statement, in line with the programme be noted.

14

Internal Audit Report 2016/17

Amanda McDonald, Client Lead Auditor, City of Wolverhampton Council presented the report on the outcome of the work programme for internal audit for 2016/17. The report confirmed that no significant audit issues had arisen throughout the year and where weaknesses/improvements had been identified during the course of the audit work, management had agreed recommendations.

Cllr Sandra Samuels OBE asked whether there was anything else the Fund could do in response to the data quality issue. The Client Lead Auditor reported that the Fund was doing its best to get the message across to everyone that accurate data was key.

In response to whether it was the same employers each year presenting inaccurate data, the Director of Pensions reported that there was some commonality but there were also areas where the Fund was seeing improvement. There was a known issue with some smaller employers who would be less familiar with their responsibilities with regard to the scheme and also in some cases where payroll was outsourced. Progress had been made in educating employers on the need for accurate and

timely data and further development of the employer coaching support was underway to drive greater improvement.

Cllr Samuels suggested that Fund could look at delivering training to generate income.

Joe McCormick agreed that there was a need for some training with academies and suggested that a lot of the issues from academies related to the TUPE of staff and transfer of information at the outcome.

Resolved:

That the internal audit report for 2016-2017 be noted.

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Pensions Board

23 January 2018

Report title	Pension Board Appointments 2018/2019	
Originating service	Pensions	
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

Recommendations for action:

The Board is asked to:

1. Convene an Appointments Panel to receive nominations for the year 2018/2019.
2. Confirm the seats for nomination.

1.0 Purpose

1.1 To seek nominations to the pension board for 2018/19

2.0 Background

2.1 The West Midlands Local Pension Board came into effect under the Public Service Pensions Act 2013. The Act set out the legal requirements for creating local pension boards including how persons should be appointed.

2.2 In line with the Pension Board Appointments Process, nominations are received each year of one third of the Board's membership. This is to ensure continuity of knowledge and skill while ensuring the succession of members.

3.0 Nominations to the Local Pension Board

3.1 During the year 2017/2018, there new appointments to the Board following the nomination process activated in January 2017 and due a position becoming available following the resignation of a Board member. It is proposed not to include any new appointments in this year's rotation.

3.2 The Board are asked to instigate the nomination process. In line with the terms of reference for the Local Pension Board, it is permissible for those who stand down to be re-nominated by their representative group.

3.3 Elected Councillors of the Administering Authority are nominated each year by Full Council.

3.4 The table below provides the alphabetical rotation for nominations to the Board for those members appointed in 2015. For the year 2018/2019 Caroline Jones (employer representative) and Annette King (member representative) are required to vacate their positions on the Board with effect from 30 June 2018. For members appointed or re-nominated since 2017, their nomination term will run from the year of their appointment. The Board are asked to confirm this process, which is a slight change from the original in the process document attached at Appendix One.

Employer Representative	Member Representative	Year due to vacate position/seek re-nomination
Jones, Caroline	King, Annette	2018
McCormick, Joe	Nash, Lee	2019
Sutton, Mike	Sayers, Paul	2020
	Turner, Adrian	2021
Johnson, Paul (new 2017)		2022
Britton, Jan (new 2017)	Campion, Sharon (re-nominated 2017)	2022

- 3.5 The Board are requested to convene the Appointments Panel consisting of the Chair, Vice Chair, one member and one employer representative for a Panel meeting proposed to be held on 18 April 2018.
- 3.6 Following the meeting, Fund officers will contact the respective Trade Union to seek nomination to the vacant member seat and will commence discussions with the Fund's Employer Peer Group to notify all employers of the vacant position on the Board.
- 3.7 In line with the Fund's Training Programme, all new members of the Pension Board will be invited to attend a full induction session with officers before they sit as a member at the July meeting. The induction session will be held with newly appointed Trustees to the Pension Committee following Annual Council nominations in May.
- 3.8 The position of Chair and Vice Chair will be nominated at the July meeting.

4.0 Financial implications

- 4.1 The Pension Board is provided for in the Fund's operation budget.

5.0 Legal implications

- 5.1 Local Government Pension Schemes are required to have a Local Pensions Board responsible for the assistance of the good governance of the scheme as set out in the Public Service Pensions Act 2013.

6.0 Equalities implications

- 6.1 None

7.0 Environmental implications

- 7.1 None

8.0 Human resources implications

- 8.1 None

9.0 Corporate landlord implications

- 9.1 None

10.0 Schedule of background papers

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

11.0 Appendices

- 11.1 Appendix One
Pension Board Appointments Process

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WEST MIDLANDS PENSION FUND

LOCAL PENSION BOARD APPOINTMENT PROCESS

The role of the Pensions Board is to assist in the good governance of the scheme through the monitoring of Fund performance and adherence to statutory duties.

The Board consists of six employer and six member representatives consisting of five employer (officer) and five member (trade union) representatives together with two City of Wolverhampton councillors, each sitting one as an employer representative and one as a member representative. Each member of the Board has a right to vote on matters brought before it.

1. Appointment process

- 1.1 From January 2017, the Fund will seek nominations to the Pension Board of one third each year, this is to ensure a rotation of members while retaining the knowledge and experience of the group.
- 1.2 Every year the two elected councillors of the Administering Authority will be selected by the City of Wolverhampton Full Council.
- 1.3 The non-elected councillor representatives will be sought from their representative group (member or employer) each year on rotation of membership.
- 1.4 At its meeting in January of any year, the Pension Board will instigate this process in the following order
 - a) those members who have been unable to adhere to their responsibilities on attendance throughout the year
 - b) any vacant seats unfilled or vacancies expected to arise before the end of the municipal year ¹
 - c) alphabetical rotation (by surname) of members, one from the employer group and one from the member group for those appointed in 2015.
 - d) through the natural turnover of Members in line with their year of appointment

¹ *Those members who through their own knowledge will be unable to conduct their duties as a pension board member for the following year and are able to disclose this to the Board will be asked to do so. This may be due to a change in employment (moving to an employer not in the Fund), retiring from employment or a change in ability to perform the duties of a pension board member. Note that it is not provided that successors to an employment post will fill the position on the Board and any such persons will need to comply with this process).*

- 1.5 At that meeting an Appointments Panel will be formed to consider any nominations. The Panel shall consist of the Chair or Vice Chair (where they are not on rotation) one employer and one member representative together with the Director of Pensions (or their nominated officer). In the event that the Chair and Vice Chair are both on rotation for nomination, the Panel shall consist of 2 employer and 2 member representatives together with the Director of Pensions (or their nominated officer).
- 1.6 The Fund will produce a nomination pack published on its website and provided to the Fund's employer and members groups to include
- Application form
 - Terms of Reference for the Local Pension Board
 - Code of Conduct and conflicts of interest policy
 - Conflict of interest declaration form
 - Role description
- 1.7 On receipt of applications, the nominations will be considered by the Appointments Panel initially by email to generate a shortlist, followed by a formal invite to interview with the Panel.
- 1.8 Should the Fund receive more applications than available posts, the Appointments Panel will be required to select appointed persons to the Local Pensions Board.
- 1.9 The Appointment Panel will be responsible for interviewing applicants and recommending to the Pensions Board persons appointed. Persons to be appointment must be able to fulfil their duties of knowledge and capacity and will be selected in consideration of maintaining a broad representative group of the Fund's employer and member group.
- 1.10 It is permissible for current members of the Board to be re-nominated or to re-apply for their post for one rotation. In the event of the re-nomination of members, the Board may decide to appoint without interview.
- 1.11 The Appointments Process will be completed by the start of each municipal year (June).

2 Employer representatives

- 2.1 The West Midlands Pension Fund Local Pension Board has 6 employer representatives and consists of representatives from the Fund's employer base including, Education Authorities, Local Authorities, Schedule Bodies, Admitted Bodies and the Combined Authority.
- 2.2 Following the January meeting the Fund will communicate openly and engage with its employer and member groups to seek nominations to the Board's vacant member positions.

3 Member Representatives

- 3.1 The West Midlands Pension Fund has 6 member representatives
- 1 x Elected Councillor from the Administering Authority
 - 5 x Trade Union representatives from the 4 Trade Unions (GMB, Unite, Unison and UCATT)
- 3.2 Following the January meeting, the Head of Governance will contact the relevant Trade Union, whose representative is up for nomination, to confirm their nomination for the forthcoming year.
- 3.3 The Trade Unions will work together to provide the Fund with nominations to the vacant member positions and will present a preferred candidate to the Appointments Panel.

4. Failure to obtain nominations

- 4.1 Should the Fund fail to receive nominations from the employer and member groups, it may approach persons directly to apply for the vacant positions. Persons approached in this manner will still need to be formally interviewed and recommended by the Appointments Panel.
- 4.2 Where direct contact is made, persons contacted will be approached in consideration of their ability to meet the legislative requirement of knowledge and capacity and may be approached by recommendation from the Board.

5. Nominations mid-term

- 5.1 In the event that a member of the Board resigns their position, or are removed, before January in any year, this process will be followed at the time the resignation is received. In such circumstances, it is not provided that successors to post will fill the position on the Board and any such persons will need to comply with this process

Pensions Board

23 January 2018

Report title	Regulatory Update Report 2018	
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

Recommendations for noting:

The Board is asked to note:

1. The top ten risks for West Midlands Pension Fund
2. The improved performance in the Fund's KPIs
3. The work of the Fund in preparation for GDPR
4. Update on the work of the Scheme Advisory Board (SAB) and the Pensions Regulator (TPR)
5. MiFID II classification update

Recommendations for action:

The Board is recommended to:

1. Review and consider the Fund's draft GDPR policy
2. Provide their quarterly training hours to the Trustee Management Officer

1.0 Purpose

- 1.1 To provide the Pensions Board with a Regulatory Update on the LGPS and to outline how the Fund is proposing to manage these.

2.0 Risk register

- 2.1 Each quarter the Fund's compliance team reviews the top ten risks which are drawn from detailed risk registers separately maintained for each department of the Fund. The Risk register is an active document which is monitored monthly by the Fund's Senior Management Team to ensure it reflects the most recent activity of the Fund. The reporting period for risks is the most current quarter (September - December) as it is looked upon as both a reactive and proactive document to ensure new and/or changing risks are reviewed and managed early.
- 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 scoring is based on 1 being the lowest impact or likelihood with 5 being the highest impact or likelihood of the risk occurring. The scores for both impact and likelihood are multiplied together to create an overall rating (scores 1-4 low rating (4 being an even rating of 2 for impact and 2 for likelihood), 4-12 medium rating (4 being a high impact and low likelihood or vice versa) and 15-25 high rating). The Fund scores each risk for both pre and post implementation of mitigating controls, this enables the Fund to identify any weaknesses in the controls and provide assurance that its risks are reduced as much as possible.
- 2.3 The top 10 risks for the latest quarter are highlighted in Appendix 1 together with the actions taken by the Fund to mitigate those risks.
- 2.4 Between April and December the Fund has undertaken work to monitor and assess the compliance of employers with the Pension Administration Strategy (PAS) in relation to the Annual Returns for 2017. This work has highlighted a number of employers who have failed to either meet the deadline for data, or who have caused an increase in work for the Fund due to the quality of their data (as outlined in the Data Quality report). The Fund is writing out to those employers who have underperformed and implementing, when necessary, the charges set out in the Pension Administration Strategy. However, this area of work has shown significant improvement from the 2016 Annual Return with more timely receipt of information and errors reducing by 11% overall.
- 2.5 There are no increases in risk noted in the register.

3.0 Key Performance Indicators

- 3.1 The Fund has seen maintenance or improvement in all areas of KPI's with focus particularly on increasing performance on retirements and deferred member processes.
- 3.2 Processing of retirement benefit quotations in particular, has fallen behind the target performance level due to increase volumes and delays in confirmation and programming of calculation factors for retirements after 31 March 2017. Employees at the Fund have shared resource and worked flexibly across teams to ensure these processes are

completed within KPI. In December the KPI percentage increased from 17.39% in September to 89% in December.

- 3.3 The production of Active Benefit Statements KPI has been a key focus area for the Fund as it is a reflection of the Fund's performance on Data Quality and ability to meet member expectations as monitored by the Pension Regulator (TPR). This year the Fund has undertaken a detailed analysis of its performance in this area and is reporting that 79% of its active benefit statements have produced compared to last year's 82%.
- 3.4 There are a number of reasons for this reduction in the KPI, including the number of pension records under review by the Fund with active processes at the time the benefit calculation was run together with some employer errors in the quality of data held. In any case where a statement could not be issued a letter has been produced explaining why and the Fund is dealing with any member enquiries as they arise. The Fund continues to produce detailed analysis of its data and is working with employers to follow up their queries all of which will assist the Fund in its delivery of the Data Improvement Plans and increase the number of statements issued next year.
- 3.5 The overall performance of the Fund month on month and year to date shows continual improvement in service areas and the Fund has active measures in place to improve and reduce the risk of performance shortfalls in future. Data Quality and Employer Performance is a standing item on monthly Senior Management Team Meetings and is discussed quarterly at each Pensions Committee meeting.

4.0 General Data Protection Regulation

- 4.1 As previously reported to the Board, the Fund has been working with a number of LGPS Funds across the country in preparation for the changes to Data Protection in May 2018. The latest piece of work has seen the production of template documents for use by LGPS Funds which have been submitted to the LGA for review. The LGA have appointed Squire Patton Boggs to provide an overview and guidance note for LGPS on the key issues to consider when preparing for GDPR, the Fund assisted in drafting the questions to be addressed and have provided comments on the draft note back to the LGA. It is expected the LGA will release these as national templates by February.
- 4.2 In addition, the Fund has responded to the Information Commissioner's consultation on draft guidance for Data Controller and Data Processor contracts and we are waiting final publication of that guidance to enable us to review our existing data sharing agreements and third-party contracts. Work has already commenced on contacting our service providers to ensure they are preparing for GDPR with positive responses having been received.
- 4.3 Attached at Appendix Two is a copy of the Fund's GDPR Project Plan noting the steps taken to date and those to be completed. The Fund is on course to meet the May 2018 deadline for implementation and has already started to publish information on its website ready for the changes. Attached to the Project Plan are a number of policies already drafted which the Board are asked to consider and review.

- 4.4 The GDPR requires data controllers to ensure they hold accurate and up to date information, that it is held securely, and held for no longer than necessary. The Fund currently has circa 228,000 microfiche records held in cabinets in the Fund offices. Historically, the Fund has been undertaking a program of scanning fiches on to its UPM system for some time now however, work is still required and has recently stopped due to the current machine used by the Fund no longer being compliant with the Council's ICT Cyber Security Policy. Therefore, any required microfiche scanning is on hold pending a new machine/approach.
- 4.5 Having conducted research into the cost of a new machine and officer time to scan the fiches onto the system, it has been determined that a program of digitisation is the most beneficial solution taking into consideration cost and the requirements of GDPR, the Pensions Regulator and the impact on processing times. The Fund recently undertook a mini competition under a framework contract and have identified a potential supplier to undertake a 6 month scanning program to digitise all the Fund's microfiche in readiness for the May GDPR deadline.
- 4.6 The cost of this work has been competitively assessed and Pensions Committee approved the entering of a contract at its December meeting which will ensure the secure transferring of microfiche images to our member records and will ensure compliance by the Fund with GDPR to hold accurate data securely and ensure the quality of data held. The Fund are currently undertaking a pilot with circa 300 fiches to ensure the quality of scanned images meets the Fund's requirements with the full program commencing early January.

5.0 The Scheme Advisory Board

Academisation Review

- 5.1 We have previously reported that the Scheme Advisory Board is undertaking a review of Academies in the LGPS having commissioned Price Waterhouse Cooper (PWC) in their report "Options for Academies in the LGPS". The latest position from the SAB is that they continue to gather information and evidence from Funds before developing specific proposals and recommending outcomes to Ministers. The Fund will continue to monitor the progress of this work and provide updates as they are received.
- 5.2 In addition to the work around academies, and in support of its workplan, the SAB is also seeking to identify potential funding, legal and administrative issues and liabilities in connection with third tier employers related to admitted and scheduled bodies that do not benefit from local or national tax payer backing. As the Board is aware, the Fund has in place an employer covenant monitoring program to assess and manage convent risk. We will continue to monitor this work and will update the Board as further information is received.

Cost Management – 50/50 scheme

- 5.3 As part of its work on the Cost Management review of the LGPS, the SAB also commissioned some research into the use of the 50/50 scheme by members as the

savings to the scheme from the 50/50 option appear to be significantly less than originally anticipated.

- 5.4 When first created, it was anticipated that the take up of the 50/50 scheme would be circa 10% of overall membership and was anticipated to be an alternative solution to opting out, in particular for low salary officers. The research found that 10% of those who had opted for 50/50 did so because of attaining the annual or lifetime allowance. The research also found that very few members knew about the 50/50 scheme with many saying they would have chosen it as an option over opting out if they had known.
- 5.5 The SAB proposes to revisit this topic with a focus on 2 areas
1) costing
2) communication.
A further update will be presented once more information is received.

Retirement Factors

- 5.6 As previously reported to the Board, the Fund this year suffered an impact on its processing timescales, most notably in the area of retirements, due to the late issuance of retirement factors. The SAB, in taking on board comments from LGPS Funds has written to the Minister on this subject requesting consideration be given to the timescales for issuance. We will update further on this subject once more information is known.

SAB Local Pension Board Survey

- 5.7 The Board will recall the SAB issued a survey to assess the effectiveness of Local Pension Boards following their creation in 2015.
- 5.8 The survey was circulated to the Fund's Pension Committee and Local Pension Board.
- 5.9 Initial analysis of the results shows the WMPF Pension Board to be one of the largest in size with 6 employer and member representatives. It was also one of the first to meet following the creation in April 2015.
- 5.10 Further analysis of the outcomes of the survey are to be considered by the SAB shortly and we will update further on its outcomes once more information is received. In the meantime, the Fund continues to develop its training and knowledge program for Trustees and Pension Board to ensure the expectation of both the SAB and the TPR is met. The Board are asked to consider any training needs for the forthcoming year reflecting on the proposed workplan for the year.

SAB Key Performance Indicators

- 5.11 The Board will recall last year the Fund participated in the pilot of the SAB KPI's in which we assessed our management, administration, funding and governance against a set of 14 indicators to determine our overall performance.

5.12 The results from that pilot were fed back to the SAB who have devised a workplan based on the outcomes and are proposing to work with GAD, DCLG and 'others' as they review the outcome from GAD section 13 of the 2016 Actuarial Valuation in preparation for 2019.

5.13 No further information has been published or sought from funds on the KPIs to date.

6.0 The Pensions Regulator

6.1 In December, the Pensions Regulator issued its annual survey, the most comprehensive to date, to all LGPS Funds. The survey included questions on governance and administration including the production of Active Benefit Statements for which the Fund reported a 79% production for 2017, compared to 82% for 2016. The Fund continues to engage with the Regulator on this topic outlining the key work of the Fund in the area of Data Quality and Employer Performance.

6.2 Earlier this year, we saw the first fine issued to an employer by the Regulator for a failure to produce data information on time to enable the production of benefit statements. We believe the Regulator will continue to develop its enforcement actions in this area and are expecting more action by them over the coming year.

6.3 In anticipation of the Regulator's work, the Fund has begun to implement its data improvement plans aiming to improve the quality of data held by the Fund with the main aim of improving its production of benefit statements for 2018 and is currently recruiting for a new Regulatory Compliance Manager post to assist with this work.

6.4 In compliance with the Code of Practice on Good Governance the Board are required to undertake a minimum of 22 hours of training each year. Recently, the Regulator has updated its Trustee Toolkit with further modules relevant to the work of the LGPS. The Board are requested to report their training hours to the Fund's Governance Officer as part of their quarterly update.

7.0 MiFID II classification update

7.1 In July 2017 the Financial Conduct Authority (FCA) released a secondary policy statement on the implementation and requirements of the Markets in Financial Instruments Directive II (MiFID II) which has identified the criteria to a lower threshold for the size of portfolio that a local authority has to have, which makes it easier for LGPS pension funds to opt-up to professional client status.

7.2 The Fund currently considers itself as a Professional Client under MiFID I rules, however under MiFID II the criteria for LGPS pension funds has changed and the Fund will automatically be considered as a Retail Client but are proposing to opt up to Professional status as noted in another report.

7.3 Following engagement between the FCA and LGPS funds, the FCA have amended the opt up process making it easier for Funds to opt up to Professional Client status. The opt up process allows the Fund to continue on with its existing investment activities with no impact. If the Fund were to be classified as a Retail Client without the opt up process, it

would be restricted on the types of assets it can invest and transact within due to the nature of the classification.

- 7.4 Retail Clients are deemed to be not as knowledgeable within the investment markets as Professional Clients and therefore are offered more protection against engaging in certain types of investment activity but are also restricted from certain assets or markets.
- 7.5 Over the last quarter the Fund has engaged with its Fund Managers to ensure it is “opted-up” to Professional Status by the January deadline. As at the date of reporting, the Fund is outstanding 11 requests. We are aware that some of those outstanding requests are with American private equity managers and it is unclear whether we are required to opt up in this category given Mifid II only applies to EU investments, however it is with the Fund Managers to determine.
- 7.6 The National Scheme Advisory Board is monitoring the progress of the opt-up process across the LGPS and has published on its website details of those funds who have achieved opted up status. The fund remains in contact with their representative updating them on our progress in this area.

8.0 Financial implications

- 8.1 Failure by the Fund to adhere to regulatory requirements could result in fines being imposed on the Fund by either the Pensions Regulator or the Information Commissioner.
- 8.2 The cost of the microfiche contract will be funded from the Fund’s approved operating budget for 2017/18.
- 8.3 The budget for Trustee training is incorporated within the Fund’s administration budget.

9.0 Legal implications

- 9.1 The need for effective risk management is reflected throughout guidance and regulation in the LGPS, notably in Regulation 7(2) of the *Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016*.
- 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.
- 9.3 The requirements for Trustee and Local Pension Board training are set out in the Regulator’s code of practice and CIPFA guidance. Trustees and Board members have a legal duty to ensure they have the required knowledge and skill to undertake their roles. Failure to adhere to these duties may result in challenge from external parties. There is also a possibility of intervention from the Pensions Regulator.

10.0 Equalities implications

- 10.1 The Trustee Training Policy has been drafted in consideration of the Equalities Act and associated guidance.

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 General Data Protection Regulations

<https://ico.org.uk/for-organisations/data-protection-reform/overview-of-the-gdpr/>

14.2 Pension Regulator's Toolkit

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

14.2 Pension Regulator's Code of Practice

<http://www.thepensionsregulator.gov.uk/codes/code-governance-administration-public-service-pension-schemes.aspx>

14.3 Financial Conduct Authority Markets in Financial Instruments Directive II Implementation – Policy Statement II

<https://www.fca.org.uk/publication/policy/ps17-14.pdf>

14.4 Scheme Advisory Board

<http://www.lgpsboard.org>

15.0 Appendices

15.1 Appendix 1

Top Ten Risks as noted on the Fund's risk register

15.2 Appendix 2

GDPR project plan

Appendix 2A

Data Protection Policy 2018

Appendix 2B

Privacy Impact Assessment

Appendix 2C

Information Incident Report Form

Top 10	Risk Ref	Risk Controls	Assessment		Risk Movement	Risk Owner	September - December 2017 changes and actions taken to manage risk
			Pre-control	Post-control			
1	PA 1 - PAS not complied with	1. The Fund has in place a charging structure outlining to employers the possibility of cost where they fail to comply with the PAS. 2. Engagement with employers was undertaken before adopting the PAS to ensure understanding and buy-in to its controls 3. PAS regularly reviewed and approved by committee.	20	16		Head of Client & Funding Management	Work was completed to assess employer performance against the PAS. Data Managers are working with the Relationship Management Officer to review support and assess any employer charges where failures to meet the PAS are identified.
2	PA 2 - Orphaned liabilities and covenants	1. All new employer bodies need to have a suitable guarantee/covenant in place prior to being admitted into the scheme. 2. Monitoring is carried out on existing employers and the covenant strength is assessed and each employer is risk rated. The in-house monitoring policy has been fully reviewed and refreshed to enhance our internal controls. 3. Higher risk employers are monitored closely by the Employer Team. 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.	16	12		Head of Client & Funding Management	No amendments - all employers go through an initial covenant assessment a monitoring programme is undertaken throughout the year.
3	PA 3 - Inaccurate data for calculations	The fund has implemented a program of monthly returns for employers requiring monthly submissions of data. In addition the Fund has increased it's staffing in its data quality team by 10 to ensure resource is in place to manage the increased work and respond to employer queries.	15	10		Head of Governance	The Fund has undertaken detailed analysis of the data it holds and now has a clearer understanding of where the issues need to be managed. The Data Managers and RMO engage with employers and offer tools and validators to assist their compliance.
4	PA 5 - GMP reconciliation	1. A project is underway to achieve this by December 2018 and was recently part of an internal audit to review the progress of the project with no areas of concern being noted. The Fund continues to monitor the progress of the project with monthly updates to SMT.	20	16		Director of Pensions	A review by internal audit confirmed the Fund were taking reasonable measures to ensure this project is completed and that it has adequate resource in place to manage it.
5	PA 7 - Future liabilities increase	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 points 2-4. 2. Life expectancy: Although there is no life longevity hedging, a prudent allowance is built into the actuarial assumption, for life expectancy to improve. 3. Inflation and wage and salary inflation: The Fund invests in index-linked bonds and hold income generating assets including those which provide an index linked income stream. 4. Interest rates: Investment returns are monitored quarterly with liabilities in mind.	16	12		Director of Pensions	Following the completion of the 2016 Valuation, the Fund built an in-house tool to monitor closely the funding levels of each individual employer. Preparation for the 2019 valuation will commence next year.
6	I 7 - Currency exposure (SIAB)	1. The fund has implemented its currency hedging which is being monitored on a monthly basis.	15	15		Assistant Director - Investments and Finance	This is in the early stages of implementation and work is ongoing with the investments team to monitor this as a strategy going forward.

7	G 1 - Data security and data quality	<p>1. Regular staff training on data protection</p> <p>2. In-depth training for managers on information governance on an annual basis (or ad hoc when required changes or additions).</p> <p>3. Information governance project has been completed and now a workplan/project has been created for the implementation of the GDPR.</p> <p>4. Data encryption and password protection</p> <p>5. Use of file transfer protocol</p> <p>6. All information security breaches are reported and any systemic issues are identified and corrected.</p> <p>7. System back-up to protect against data loss.</p> <p>8. The Fund is liaising on a national level to ensure consistent approach to GDPR changes.</p>	20	12		Head of Governance	Following the work with a number of LGPS Funds, template documents and policies have been presented to the LGA to review with a view to presenting this as national templates. This are due to be issued shortly.
8	G 2 - Lack of Trustee independence	<p>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.</p> <p>2. There are sufficient numbers on the Committee to ensure that the Fund's interests are put before individual authorities.</p> <p>3. Members are bound by codes of conduct.</p> <p>4. Conflicts of interest policy in place for Pensions Committee and Pensions Board</p> <p>5. All districts are represented and have voting powers.</p> <p>6. Clear delegation of authority within the Council and the Fund's separate constitutions, setting out the roles and responsibilities of the Fund.</p> <p>7. Conflicts of interest policy in place for Pensions Committee and Pensions Board.</p> <p>8. The Fund has a formal recruitment process in place to ensure the Board is fully recruited. The Board can review the process at any time to ensure it is adequate.</p>	16	12		Head of Governance	The appointments process for the 2 vacant seats on the Local Pension Board have been filled and the Fund now has full capacity for its Governance bodies.
9	G 7 - Change in Government policy/LGPS reforms	<p>1. The Fund keeps abreast of developments, participating in consultation and calls for evidence, and collaborating with other funds.</p>	20	16		Director of Pensions	No amendments – all controls implemented and still current.
10	F 6 - Non-payment or receipt of monies due to the Fund	<p>1. Monthly monitoring of ongoing (FSR) and deficit (PSD) contribution payments by Finance. Finance are working in conjunction with the Employer and Data Teams through monthly submissions with more analysis, reviews and feedback.</p>	15	10		Assistant Director - Investments and Finance	Following its increase in risk last quarter, this risk has remained stable this quarter.

Stage	Date	Data Management (Operations, to include Tech)	Complete	Date	Business Improvement (Governance)	Complete
Stage One	January – March 2017	Training and Education		January – March 2017	Policies	
	<ul style="list-style-type: none"> End of January End of February End of March 	<ul style="list-style-type: none"> Identify “Data Angels” External training for Data Angels Fund wide staff briefing by Data Angels 	<ul style="list-style-type: none"> √ √ √ 	<ul style="list-style-type: none"> December 2016 January 2017 January 2017 March 2017 	<ul style="list-style-type: none"> Identify policies required Draft project plan Engage with teams Liaise with WCC IG team on progress 	<ul style="list-style-type: none"> √ √ √ √

Stage	Date	Data Management (Operations, to include Tech)	Complete	Date	Business Improvement (Governance)	Complete
Stage Two	March – June 2017	Data Identification		March – June 2017	Publication	
		<ul style="list-style-type: none"> Each team to data map their process Identify what data needed for each process 	<ul style="list-style-type: none"> √ √ 	<ul style="list-style-type: none"> March – May 2017 March 2017 	<ul style="list-style-type: none"> Draft policies and review/update existing (including data sharing agreement) Review all third party contracts for data sharing and raise with contractors about 	<ul style="list-style-type: none"> √ Under review

				<ul style="list-style-type: none"> • April 2017 	<p>changes</p> <ul style="list-style-type: none"> • Engagement with other LGPS Funds through LGA to discuss potential impact and draft policies 	√
				<ul style="list-style-type: none"> • June 2017 	<ul style="list-style-type: none"> • Identify template letters and documents on UPM to be amended and commence work to amend. 	√
				<ul style="list-style-type: none"> • June 2017 	<ul style="list-style-type: none"> • Liaise with WCC IG team on progress 	√

Stage	Date	Data Management (Operations, to include Tech)	Complete	Date	Business Improvement (Governance)	Complete
Stage Three	June 2017 – November 2017	<p>Data Discovery</p> <ul style="list-style-type: none"> • For each process, identifying what information/data we actually hold, • Identifying where we hold additional information 	<p>√</p> <p>√</p> <p>√</p>	June 2017 – November 2017	<p>Informing Public</p> <ul style="list-style-type: none"> • Draft Fair Processing Notice • Conduct privacy impact assessments on each process 	<p>√</p> <p>In progress</p>

		<ul style="list-style-type: none"> Identifying any missing data 		<ul style="list-style-type: none"> MYR July 2017 June 2017 & October 2017 November 2017 	<ul style="list-style-type: none"> Update employers on action taken by the Fund (2016 AGM follow up) Seek assurances from third party contractors on actions they are taking Liaise with WCC IG team on progress 	<p>with Data Angels</p> <p>✓</p> <p>✓</p> <p>✓</p>
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Stage	Date	Data Management (Operations, to include Tech)	Complete	Date	Business Improvement (Governance)	Complete
Stage Four	November 2017 – February 2018	<p>Data Retention</p> <ul style="list-style-type: none"> Set retention periods for each piece of data Destroy and clean data 	<p>✓ Agreed no retention periods</p> <p>Ongoing work as part of</p>	<p>November 2017 – February 2018</p> <ul style="list-style-type: none"> AGM November 2017 December 2017 	<p>Educating Employers</p> <ul style="list-style-type: none"> Reminders in employer briefing note to be ready for GDPR Template policies written by LGPS Funds with LGA for review 	<p>✓</p> <p>✓</p>

			Data Quality		with view to publishing as examples to all Funds	
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Stage	Date	Data Management (Operations, to include Tech)	Complete	Date	Business Improvement (Governance)	Complete
Stage Five	February 2018 – April 2018 <ul style="list-style-type: none"> February 2018 	Implementation and Education <ul style="list-style-type: none"> Staff Briefing (Bespoke training for individual sections e.g. Customer Services/frontline officers) 		Final actions <ul style="list-style-type: none"> February 2018 March 2018 & every year thereafter 	Monitoring Performance <ul style="list-style-type: none"> Review and publish new policies on website and update Information Governance Section with GDPR. Obtain assurance of third parties on data management including issuing new Data Sharing Agreement 	

Policies to be drafted/incorporated	Status
<ul style="list-style-type: none"> • Data Retention policy • Data Portability • Transfer of data • Consent • Right to rectification • Right to be forgotten • Process maps to show use of data for all fund processes • International members • Privacy impact assessments for all fund processes • Annual data cleanse/review 	<ul style="list-style-type: none"> • Drafted and published as part of Fair Processing Notice on website www.wmpfonline.com/fairprocessingnotice • Drafted and published as part of Fair Processing Notice on website www.wmpfonline.com/fairprocessingnotice • Drafted and published as part of Fair Processing Notice on website www.wmpfonline.com/fairprocessingnotice • Confirmed consent not required due to legal duty on LGPS • Drafted and published as part of Fair Processing Notice on website www.wmpfonline.com/fairprocessingnotice • Drafted and published as part of Fair Processing Notice on website www.wmpfonline.com/fairprocessingnotice • Work started on these, www.wmpfonline.com/datamaps • To be drafted once individual member state individualities known • Commenced to be completed by 31 March 2018

<ul style="list-style-type: none"> • Transparency (how we use your data) policy • Children’s transparency policy 	<ul style="list-style-type: none"> • To be included as part of monthly submissions and Data Team business as usual • Drafted and published as part of Fair Processing Notice on website www.wmpfonline.com/fairprocessingnotice
<p>Policies to be reviewed</p>	
<ul style="list-style-type: none"> • GDPR Policy • Subject access requests • Data sharing agreement • Third party contracts • Reporting Data breaches • Privacy notices • Cyber Security Policy • Records Management Policy 	<ul style="list-style-type: none"> • Drafted (attached) • Policy included in GDPR policy (attached) • LGA working with Squires to draft template, awaiting receipt (anticipated early Feb 18) • To be reviewed with LGA template • Completed and included in GDPR policy • Completed and included in GDPR policy as well as published separately on Fund website www.wmpfonline.com/privacynotice • First draft written and with the Fund’s Systems and Business IT Manager for review • Being drafted with CWC IG Team to ensure consistency (not yet available)



DATA PROTECTION POLICY 2018

EU General Data Protection Regulations

UK Data Protection Act

1. Introduction

The West Midlands Pension Fund is one of the largest Local Government Pension Schemes in the UK and manages the pension records of over 300,000 members. The Fund is not a legal entity in its own right, it sits as a function of the City of Wolverhampton Council who hold the capacity of Administering Authority.

The Council, and therefore the Fund, are classed as a Data Controller under the General Data Protection Regulations (GDPR) and the Data Protection [bill] as it collects, stores and controls how personal information relating to its members is managed.

Consequently, it is required to hold, manage and process any personal data fairly, lawfully and in accordance with all Data Protection legislation.

2. Purpose

The purpose of this policy is to define the Fund's responsibilities under GDPR, providing assurance to our members that their data is managed in compliance with the statutory obligations placed upon the Fund.

This policy is designed to give members an overview of how the Fund complies with GDPR in our working practices and to provide an overview to Fund officers of how GDPR should be applied to inform their decisions and day to day work by providing a legal background to the processing of personal data.

3. Scope

This policy applies to all employees, officers, Trustees, Pension Board Members, contractors and partner agencies who

- Process personal data as part of their role or on behalf of the Fund (including contracted service providers)
- Have access to the Fund's member software system for purposes of maintenance and or/service provision in line with a contracted duty
- Have access to buildings where personal data is stored

4. Policy Statement

This policy sits within the Fund's Information Governance Framework which includes policies on Cyber Security and Freedom of Information. This policy will be reviewed on an annual basis as part of the information governance assurance program.

5. Definitions

- a) **Personal Data** – any information relating to an identified or identifiable natural person which includes members, next of kin and any other associated individual.
- b) **Sensitive Personal Data** – data consisting of racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, genetic data, biometric data, data concerning health or data concerning a natural person's sex life or sexual orientation.
- c) **Processing Personal Data** – is essentially any action involving personal data, this can include storing, sharing, creating, altering, organising or deleting. It is not limited to these examples and applies to both physical and electronically held data.
- d) **Data Subject** – is an individual who is the subject of personal data.
- e) **Data Controller** – is a person or organisation who decides the purposes for processing personal data. The West Midlands Pension Fund is a data controller.
- f) **Information Security Officer (ISO)** – Is the person within the organisation that is responsible for the development and implementation of information security policies to protect the organisation's information assets. Information Security relates to more than just personal data. The ISO for the West Midlands Pension Fund is the Head of ICT at the City of Wolverhampton Council.
- g) **Data Protection Officer (DPO)** – Is the designated person within an organisation that has responsibility for ensuring 'legal' compliance with GDPR, which relates only to personal data. The DPO for the West Midlands Pension Fund is the Head of Governance.

6. Categories of Individuals

The Fund, in providing pension benefits to its members, categorises its membership in 3 distinct profiles

6.1 Active Members

This relates to members of the Fund who are in current employment with a Fund employer and are contributing to their pension benefits. The Fund distinguishes these members from other categories of data as the personal data held by the Fund is jointly-controlled by the Fund and the Employer.

6.2 Deferred Members - employed

This relates to members of the Fund who are employed by a Fund employer and who in the past have contributed to their pension benefits but have chosen not to currently continue contributing to their pension benefits. The Fund is a joint data controller with the employer for these individuals.

6.3 Deferred Members – no longer employed

This relates to members of the Fund who are no longer employed by a Fund employer, but who have retained their pension account. The Fund distinguishes these from the above category of members as the Fund is a single data controller. This is due to members no longer having a contractual relationship with the employer and the employer no longer having access to their personal data.

6.4 Pensioner Members

These are members who are in receipt of their pension benefits. The Fund is the data controller for these members.

6.5 Beneficiary Pensioners

These are members who have inherited pension rights from their spouse or family member. The Fund is the data controller for these members.

6.6 Other third party data

The Fund may hold information relating to members' next of kin, for example on a nomination form. The Fund is a data controller for these persons and holds the information under Schedule 1 (16) of the Data Protection [bill] as the holding of the information is necessary for the purpose of making a determination in connection with eligibility for pension benefits.

7. Categories of Data

The Fund has identified that it holds data in the following distinct categories

7.1 Special categories of data

This relates to sensitive personal information as defined in the GDPR and may relate to members of the Fund or other third party data. This may also include medical history where relevant to the Fund's assessment on entitlement of benefits in line with the regulations.

7.2 Personal data

This relates to data about an individual which is not classed as a special category of data and can include information relating to contracts of employment and salary.

7.3 Pensions data

This may relate to information relating to a member's previous pension benefits accrued either with this Fund or another fund which will need to be considered when assessing entitlement.

7.4 Employer data

This is information relating to the Fund's employers for who the Fund may hold individual officer contact details.

8. Overseas Data Transfer

The Fund does have a number of overseas members who reside in countries other than the UK. The majority of these are in European Countries, USA or Australia. The Fund does not transfer data relating to overseas members to anyone other than the individual.

9. The Six Principles of GDPR

The GDPR data protection principles set out the main responsibilities for organisations with the most significant addition being the accountability principle which requires organisations to show **how** they comply with the following principles.

The table below sets out how the Fund adheres to these principles

Principles	Fund position
<p>1. Processed lawfully, fairly and in a transparent manner in relation to individuals.</p>	<p>The Fund provides pension benefits to over 300,000 members who are automatically enrolled into the fund on commencing their employment with an eligible employer.</p> <p>Members are provided with joiner information by their employer which notifies them of their enrollment in the Fund and also receive a new joiner's information pack from the Fund confirming their membership of the Fund.</p> <p>The new joiner's information pack contains details of the Fund's Information Governance Policy, including directing members to the Fair Processing Notice (FPN) confirming how their information is used, and with whom it is shared.</p> <p>The member's rights are also outlined in the FPN and provide details on how a member can ask questions or request information relating to these rights.</p>
<p>2. Collected for specific, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historic research purposes or statistical purposes shall not be considered incompatible with the initial purpose.</p>	<p>The Fund collects information from the member's employer regarding that member's employment (salary, contact information, and past service details). Information is also obtained from the member direct about any other pension benefits they hold which they may choose to amalgamate. This information is required by statute in order to process a member's pension account.</p> <p>The Fund, in reviewing the data it holds has undertaken a data mapping exercise to review the information received from employers ensuring it is relevant to the performance of its duty as a local government pension provider. This ensures that the information it holds is specific and relevant for the purposes it was collected.</p>

	<p>The Fund may hold information which is not immediately relevant (nomination details of third parties for example) however, due to the nature of the pension provision, the benefits may become payable at any given date and it has been determined that the information would be relevant and required at the point the pension benefits are payable. The Fund therefore has assessed that this information is relevant and specific to meeting its duties as an LGPS fund.</p>
<p>3. Adequate, relevant and limited to what is necessary in relation to the purposes for which it permits identification of data subjects for no longer than is necessary for the purposes for which the personal processed.</p>	<p>The Fund, in reviewing the data it holds has undertaken a data mapping exercise to review the information received from employers ensuring it is relevant to the performance of its duty as a local government pension provider. This ensures that the information is holds is specific and relevant for the purposes it was collected.</p> <p>The Fund may hold information which is not immediately relevant (nomination details of third parties for example) however, due to the nature of the pension provision, the benefits may become payable at any given date and it has been determined that the information would be relevant and required at the point the pension benefits are payable. The Fund therefore has assessed that this information is relevant and specific to meeting its duties as an LGPS fund.</p>
<p>4. Accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that is inaccurate, having regard to the purposes for which they are processed, is erased or rectified without delay</p>	<p>The Fund recently launched its new Pensions Portal, a self-service platform for members of the Fund to obtain details of their pension benefits and log into their own account to check and update their details. This platform serves as a useful tool for ensuring the information held about members is accurate.</p> <p>The Fund also recently launched its monthly submission program with</p>

	<p>employers. This requires employers to submit a monthly data file about their employees who are members of the Fund confirming the information held by the Fund is accurate.</p> <p>In relation to the Fund’s deferred members, who may have moved away and lost contact with the Fund, the Fund has reached out to this group to encourage their sign up to the Pensions Portal and had undertaken a deferred member data management project. This project requires the Fund to undertake a tracing program for deferred members with a retirement date in the forthcoming 3 years to ensure the information we hold is accurate at the point of retirement.</p> <p>The Fund has published a FPN which outlines a member’s rights to request rectification of their data and how to make this request.</p>
<p>5. Kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data is processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals.</p>	<p>The Fund, in providing statutory duties under the regulations has determined that it cannot permanently delete a member’s record. Should a member transfer out of the scheme, the Fund will retain a basic record confirming the member’s name, contact, date of birth and national insurance number details but will endeavour to delete any other information including any documents relating to the member. The basic member details are required to be retained to enable the Fund to comply with statutory and legal obligations such as fraud prevention and GMP reconciliation.</p>
<p>6. Processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using</p>	<p>The Fund, as part of its Information Governance Toolkit, has adopted a Cyber Security policy which outlines how the Fund protects members’ data from incidents of Cyber Crime and risk of hacking together with outlining the Fund’s control</p>

<p>appropriate technical or organisational measures.</p>	<p>mechanisms for its pension administration software system. The protection of data was a key consideration when awarding the contract to the software supplier.</p> <p>When contracting with third parties (as outlined in the FPM) the Fund requires all service providers to enter into a data sharing agreement, which sets out the Fund’s expectations of the service provider in its protection of information and required confirmation by the service provider that are conversant with their duties under GDPR and are able to comply with them.</p> <p>When engaging with members, the Fund has implemented a 3 stage identity check process which requires members to pass 3 identification questions when contacting the Fund.</p>
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Article 5(2) of the GDPR requires that ‘the controller’ (ie. The Fund) shall be responsible for, and be able to demonstrate, compliance with the principles.

This policy aims to meet that requirement.

9.1 Lawfulness of processing conditions

Under GDPR, organisations need to identify a lawful basis on which they can process an individual’s data. These are referred to as the “conditions for processing”.

An organisation will be required to ensure it meets the conditions for processing and will need to explain to individuals whose data it holds, how it meets those conditions and what the individuals’ rights are to ensure their data is managed appropriately.

The table below sets out the lawful basis for processing personal data and how the Fund manages members’ data in line with this.

Condition	Fund position
6 (1) (a) Consent of the data subject	The Fund, as a Local Government Pension Scheme Fund provides statutory pension benefits to all its members.

	<p>Members are automatically enrolled into the Fund through their employment contract and have the option to opt-out once in employment.</p> <p>While it may be argued that individuals do not consent to their data being held by the Fund, it is a statutory requirement to automatically enroll eligible members into the scheme.</p>
6 (1) (b) Processing is necessary for the performance of a contract with the data subject or to take steps to enter into a contract	As a statutory scheme, there is no formal contract with individual members, however the statutory duty to provide pension benefits to eligible employees could create a binding agreement.
6 (1) (c) Processing is necessary for compliance with a legal obligation	The Fund, as a Local Government Pension Scheme Fund provides statutory pension benefits to all its members and may rely on this condition when processing member data.
6 (1) (d) Processing is necessary to protect the vital interests of a data subject or another person.	As a pension provider, the Fund may hold details of a member's next of kin/family member/associate whose details it will hold for the purpose of beneficiary pensions and/or death grant nominations. The information will be provided by the member. The Fund considers that it holds this data in line with this condition as it may be required to pay pension benefits to those individuals at some point in the future.
6 (1) (e) Processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller.	The Fund, as a Local Government Pension Scheme Fund provides statutory pension benefits to all its members and may rely on this condition when processes member data.
6 (1) (f) Necessary for the purposes of legitimate interests pursued by the data controller.	While at first, this condition may appear to be relevant to local authorities in the performance of their duties, guidance from the Information Commissioner (ICO) states that authorities cannot rely

	<p>on this condition when processing personal data.</p> <p>As such the Fund may rely on the other conditions for processing members' data.</p>
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9.2 Special conditions for sensitive personal data

In addition to the above conditions, where an organisation processes sensitive personal data, it must also comply with Article 9 of the GDPR. The table below sets out how the Fund complies with this Article

Condition	Fund position
9 (2) (a) Explicit consent of the data subject, unless reliance on consent is prohibited by EU or Member State Law	<p>The Fund, as a Local Government Pension Scheme Fund provides statutory pension benefits to all its members. Members are automatically enrolled into the Fund through their employment contract and have the option to opt-out once in employment.</p> <p>While it may be argued that individuals do not consent to their data being held by the Fund, it is a statutory requirement to automatically enroll eligible members into the scheme.</p>
9 (2) (b) Processing is necessary for carrying out obligations under employment, social security or social protection law, or a collective agreement	<p>The Fund, as a Local Government Pension Scheme Fund provides statutory pension benefits to all its members who become eligible through their employment contract. The Fund may rely on this condition when processes member data.</p>
9 (2) (c) Processing is necessary to protect the vital interests of a data subject or another individual where the data subject is physically or legally incapable of giving consent.	<p>The Fund may have members of the scheme who operate under a Power of Attorney/court order whereby responsibility for their affairs is granted to family members or guardians. The Fund may rely on this condition when processing the sensitive data of those members and their families.</p>

9 (2) (d) Processing carried out by a not-for-profit body with a political, philosophical, religious or trade union aim provided the processing relates only to member or former members.	This condition is not relevant to the work of the Fund
9 (2) (e) Processing relates to personal data manifestly made public by the data subject.	This condition is unlikely to be relevant to the work of the Fund.
9 (2) (f) Processing is necessary for the establishment, exercise or in defence of legal claims or where courts are acting in their judicial capacity.	This condition may apply to the Fund as it strives to prevent Fraud or duplicate claims from individuals. The Fund may also be subject to challenge under the Internal Dispute Resolution Process and may require the retention of personal data to defend such claims.
9 (2) (g) Processing is necessary for reasons of substantial public interest on the basis of Union or Member State Law which is proportionate to the aim pursued and which contains appropriate safeguards.	This condition is unlikely to be relevant to the work of the Fund.
9 (2) (h) Processing is necessary for the purposes of preventative or occupational medicine, for assessing the working capacity of the employee, medical diagnosis, the provision of health or social care or treatment or management of health or social care systems and services on the basis of Union or Member State Law or a contract with a health professional.	This condition is not relevant to the work of the Fund.
9 (2) (i) Processing is necessary for the reasons of public interest in the area of public health, such as protecting against serious cross-border threats to health or ensuring high standards of healthcare and of medicinal products or medical devices.	This condition is not relevant to the work of the Fund.
9 (2) (j) Processing is necessary for archiving purposes in the public interest, or scientific and historical research purposes or statistical purposes in accordance with the GDPR.	This condition is not relevant to the work of the Fund.

9.3 Individuals' Rights

One of the key obligations on organisations who manage and control individuals' data is to ensure the individual is informed about their rights under GDPR which gives them control over how their information is used and by whom.

These rights are detailed as follows

a) The right to be informed

This is the right to know how information is used and who it will be shared with. The Fund will publish on its website a Fair Processing Notice which outlines what personal information the Fund will hold, who it will share it with and for how long the information will be held.

Should an individual feel that the information supplied in the Fair Processing Notice is inadequate or that it doesn't inform them about the how their information is used by the Fund, please the Fund's Data Protection Officer for more information.

b) The right of access

This is an individual's right to obtain

- confirmation that data is being processed
- access to personal data
- access to policies and information held by the Fund about how it uses data

This right enables individuals to verify that the Fund is using data appropriately as well as providing access to obtain copies of information it holds.

Individuals are entitled to see the information held and can request a copy by emailing WMPFSAR@wolverhampton.gov.uk

Copies of the information held will be provided within one month of receiving a request, however should a request be more complex, the Fund may write informing that your request may take longer confirming the date when the information will be provided.

c) The right to rectification

Individuals have a right to have information amended or rectified if they believe it is inaccurate or incomplete.

If you believe any information we hold about you to be incorrect, please email pensionfundenquiries@wolverhampton.gov.uk and we will amend the information accordingly.

The West Midlands Pension Fund operates a self service platform called “Pensions Portal” where members can amend details the Fund holds about them, including name, address, bank details and nominations. Members are encouraged to use this platform to ensure the information the Fund holds about them is accurate and up to date.

d) The right to erasure/ right to be forgotten

This right allows individuals to request a company or body to delete any or all information they hold about them.

However, the right to erasure does not provide an absolute ‘right to be forgotten’. Individuals have a right to have personal data erased and to prevent processing in specific circumstances:

- Where the personal data is no longer necessary in relation to the purpose for which it was originally collected/processed.
- When the individual withdraws consent.
- When the individual objects to the processing and there is no overriding legitimate interest for continuing the processing.
- The personal data was unlawfully processed (ie otherwise in breach of the GDPR).
- The personal data has to be erased in order to comply with a legal obligation.

The Fund, in providing statutory duties under the regulations has determined that it cannot permanently delete a member’s record. Should a member transfer out of the scheme, the Fund will retain a basic record confirming the member’s name, contact, date of birth and national insurance number details but will endeavour to delete any other information including any documents relating to the member. The basic member details are required to be retained to enable the Fund to comply with statutory and legal obligations such as fraud prevention and GMP reconciliation.

e) The right to restrict processing

Individuals have a right to limit how the Fund uses data, including who it shares it with.

A request for information to be used for limited purposes will not delete the information the Fund holds.

The Fund publishes a Fair Processing Notice which outlines how it uses data and who it shares it with. Should you wish the Fund to limit how we use your data please email pensionfundenquiries@wolverhampton.gov.uk with the reasons for your request.

f) The right to data portability

This right enables individuals to obtain copies of the information the Fund holds in a format that is easily transferred to either individuals or another organisation.

This is particularly relevant to members who may choose to transfer out of the Fund to another pension provider. The Fund will provide the information it holds to a new pension provider in a format that they can use. The transfer would not take place without your consent.

g) The right to object

In addition to the right to limit the use of data, individuals also have a right to object to the use of data for certain actions.

The Fund may share information with third parties, for example where we outsource our print to mail documents (payslips, P60's, benefit statements). Under GDPR you can object to the Fund sharing your data with these third parties.

Should an individual exercise their right to object, it will not limit the information they receive from the Fund, as it may still be required by law to provide certain information. In cases such as this the Fund will take appropriate steps to ensure requests are complied with but that it also fulfils any legal obligation it has to provide information or supply services.

h) Children's data

The General Data Protection Regulations specifically ensure the protection of children's data as children may be less aware of the risks and consequences associated with the processing of their personal data.

Any information held by the Fund which relates to the personal data of a child under 13 is held with the consent of the parent or the person with parental responsibility.

Children aged 13 – 16 are generally regarded as having the appropriate level of understanding to provide their own consent for the use of their data, provided the Fair Processing Notice has been written in a way they can understand.

The Fund's Fair Processing Notice has been reviewed using the Plan English Mark of Quality to ensure it is easily understood by children of 13 years or older.

10. Process for requests

Where an individual data subject has a question or complaint regarding how their rights under GDPR are upheld, they are encouraged to make contact in writing (email) to the Fund's Data Protection Officer in the first instance.

Data subjects who consider that data is inaccurate or out of date are encouraged to use the online Pensions Portal to check the data held by the Fund and to attempt to rectify it themselves. Where that is not possible, they may also request, in writing, that the information be corrected or erased. They will receive a written response indicating whether or not the Fund agrees and if so, the action to be taken. In the event that the Fund disagrees (eg. the data is held for a legal purpose), the data subject may request their objection be recorded with the relevant record.

A notice may be served by the data subject objecting to the processing and/or way in which the information is being processed, requesting the Fund to cease doing so on the basis that this may cause substantial unwarranted damage or distress to the data subject. A written response indicating the Fund's intentions will be given within 21 days of receiving the request. This will explain whether or not the Fund intends to comply with the request, including any parts of the request which the Fund considers unjustified.

Data subjects may ask the Fund for an explanation of any decision likely to significantly affect them which has been, or may be, taken solely by wholly automated means, this will apply most specifically in the electronic calculation of pension benefits using the Fund's software management system. The Fund will consider a request and consider reviewing a decision which has been taken, or, consider taking a new decision on a different basis, in circumstances where either course of action is appropriate and timely, unless the automated decision qualifies as an exempt decision.

If a data subject remains dissatisfied with a response received, they may ask for the matter to be dealt with under the Fund's Customer Feedback Policy.

Ultimately if a data subject continues to be dissatisfied, she/he has the right to ask the Information Commissioner's Office (ICO) to carry out an assessment of their case and/or pursue a legal remedy.

11. Process for reasons of legal duty

The Fund may receive requests for information from various sources. This can include court orders, or requests under Section 29 (Crime & Taxation) or <Section 35 (Legal Proceedings) of the Data Protection Act 1998 (to be superseded by EU General Data Protection Regulation in May 2018). >

All external agencies, contractors or Service Level Entities (SLEs) that the Fund contracts with must demonstrate the technical and legislative ability to uphold the principles of

the Act and the rights of the individual when handling or receiving Fund owned personal data.

The Fund will write, uphold and regularly review Data Sharing Agreements when sharing information with Joint Data Controllers. The Fund will ensure that appropriate contracts and data processing agreements are in place when using third party contractors as data processors. All of the Fund's data sharing and data processing arrangements are written in line with the ICO's Data Sharing Code of Practice, ICO's guidance on the role of Data Controllers and Data Processors and the Fund's Information Sharing Policy.

12. Responsibilities

The Head of Governance in their role as Data Protection Officer is responsible for ensuring compliance with this policy and overall information governance across the Fund.

The Fund will ensure that all employees responsible for handling personal data will receive appropriate training in the use and control of this data. Fund officers responsible for sensitive personal data will also receive training appropriate to their roles.

The Fund will implement a process to ensure all staff handling personal information know when and how to report any actual or suspected data breach, and that appropriately trained staff manage these breaches correctly, lawfully and in a timely manner.

All Fund staff must complete GDPR awareness training and more in depth training if they are involved in the processing of personal data.

The Fund will monitor and review its processing activities to ensure these are consistent with the principles and individual rights under GDPR legislation and will ensure that its notifications are kept up-to-date.

The Fund will ensure that any new or altered processing identifies and assesses the impact on a data subject's privacy as a result of any processing of their personal data, and that appropriate Privacy Notices are maintained to inform data subjects of how their data will be used. These will be assessed in line with the Privacy Impact Assessment attached at Appendix 1.

The Fund will review and update this policy to ensure it remains consistent with the Law, and any Compliance Advice and Codes of Practice issued by the ICO.

13. Breaches of policy

Breaches of this policy and/or security incidents can be defined as events which could have, or have resulted in, loss or damage to an individual's personal data which is in breach of the Fund's security procedures and policies and the GDPR.

The GDPR imposes a duty on all organisations to report certain types of data breaches to the relevant supervisory authority within 72 hours of becoming aware, and in some cases to the individuals affected.

All employees, Committee members, partner agencies, contractors and vendors have a responsibility to report security incidents and breaches of this policy as quickly as possible through the Fund's Incident Reporting Procedure. This obligation also extends to any external organisation contracted to support or access the Information Systems of the Fund.

In the case of third party vendors, consultants or contractor's non-compliance could result in the immediate removal of access to the system. If damage or compromise of the Fund's ICT systems or network results from the non-compliance, the Fund may consider legal action against the third party. The Fund will take appropriate measures to remedy any breach of the policy through the relevant frameworks in place. In the case of an individual then the matter may be dealt with under the disciplinary process.

Any incidents of data breach or near miss should be reported to the Fund's Data Protection Officer on the form attached at Appendix 2.

Document Control Information	
Document ID	
Document title	Data Protection Policy
Version	1.0/Sept17
Status	Draft
Owner	Data Protection Officer
Service Area	Governance
Protective Marking	Official
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Next review date	

Version History			
Version	Date	Detail	Authors
1.0	Sept 2017	First draft based on existing documents, and ICO guidance	Rachel Howe, DPO

Approvals	

Contacts	
Data Protection Officer	Rachel.howe@wolverhampton.gov.uk
General Fund enquiries	pensionfundenquiries@wolverhampton.gov.uk
Information Commissioner Officer	https://ico.org.uk/global/contact-us



GENERAL DATA PROTECTION REGULATIONS

PRIVACY IMPACT ASSESSMENT

This Privacy Impact Assessment must be completed wherever there is a change to an existing process or service, or a new process or information asset is introduced that is likely to involve a new use or significantly changes the way in which personal data is handled.

PIA Reference Number	
Project Description	
Implementing Service Area	
Project Manager details Name Designation Contact details	
Overview (Summary of the proposal and aim of project achievement)	
State the purpose of the project – e.g. operations, administration, research, audit etc.	
Key stakeholders (including contact details)	
Implementation date	

Stage 1 – Initial Screening Questions

Answering “Yes” to any of the screening questions below represents a potential IG risk factor that will have to be further analysed to ensure those risks are identified, assessed and fully mitigated.

Q	Category	Screening question	Yes/No
1.1	Identify	Will the project involve the collection of new information about individuals?	
1.2	Identify	Will the project compel individuals to provide information about themselves?	
1.3	Multiple organisations	Will information about individuals be disclosed to organisations or people who have not previously had routine access to the information?	
1.4	Data	Are you using information about individuals for a purpose it is not currently used for, or in a way it is not currently used?	
1.5	Data	Does the project involve using new technology which might be perceived as being privacy intruding for example biometrics or facial recognition?	
1.6	Data	Will the project result in you making decisions or taking action against individuals in ways which could have a significant impact on them?	
1.7	Data	Is the information about individuals of a kind particularly likely to raise privacy concerns or expectations? For example health records, criminal records, or other information that people are likely to consider as private?	
1.8	Data	Will the project require you to contact individuals in ways which they may find intrusive?	

If you have answered “Yes” to any of the questions below please proceed and complete stage 2.

Stage 2 – Privacy Impact Assessment

2.1	Is this a new or changed use of personal information that is already collected?	New/Changed	
2.2	<p>What data will be collected?</p> <p>Administration data Forename: <input type="checkbox"/> Surname: <input type="checkbox"/> DOB: <input type="checkbox"/> Pension Reference: <input type="checkbox"/> Address: <input type="checkbox"/> NINO: <input type="checkbox"/></p> <p>Another unique identifier (please specify): Other data (please state):</p> <p>Sensitive data Racial or ethnic origin: <input type="checkbox"/> Political opinion: <input type="checkbox"/> Religious belief: <input type="checkbox"/> Trade union membership: <input type="checkbox"/> Physical or mental health or condition: <input type="checkbox"/> Sexual life: <input type="checkbox"/> Commission or alleged commission of an offence: <input type="checkbox"/> Proceedings for any offence committed or alleged: <input type="checkbox"/> Biometric data <input type="checkbox"/></p> <p>Will the dataset include financial data? Yes/No</p> <p>Description of other data collected</p> <p>Is this information being used for a different purpose than it was originally collected for?</p>		
2.3	Are other organisations involved in processing the data?	Yes/No <i>If yes, list below</i>	
	Where “yes”, has the organisation signed a Data Sharing Agreement		
	Name and contact details	Data Controller (DC) or Data Processor (DP)?	Completed and compliant with the IG Toolkit
			Complete – Y/N Overall rating
2.4	Has a data flow mapping exercise been undertaken? <i>If yes, please provide a copy – template attached, if no, please undertake.</i>	Yes/No	
2.5	Does the work involve employing contractors external to the organisation? <i>If yes, provide a copy of the confidentiality agreement or contract?</i>	Yes/No	
2.6	Describe in as much detail why this information is being collected/used?		

2.7	Will the information be collected electronically, on paper or both?	Electronic: <input type="checkbox"/> Paper: <input type="checkbox"/>
2.8	Where will the information be stored?	
2.9	Will this information be shared outside the organisations listed above in question 3? <i>If yes, describe who and why:</i>	
2.10	Is there an ability to audit access to the information?	Yes/No
2.11	Does the system involve new links to personal data held in other systems or have existing links been significantly changed?	
2.12	How will the information be kept up to date and checked for accuracy and completeness (data quality)?	
2.13	Who will have access to the information? (list individuals or staff groups)	
2.14	What security and audit measures have been implemented to secure access to and limit use of personal identifiable information? Username and password: <input type="checkbox"/> Keys to locked cabinets: <input type="checkbox"/> Restricted access to network files: <input type="checkbox"/> Door access cards: <input type="checkbox"/> Other (provide description):	
2.15	Will any information be sent offsite – i.e. outside the organisation and its computer network? And, are you transferring personal data to a country or territory outside of the EEA?	
2.16	Please state by which method the information will be transferred? Email (internal): <input type="checkbox"/> Email (external): <input type="checkbox"/> Website access: <input type="checkbox"/> Post (internal): <input type="checkbox"/> Post (external): <input type="checkbox"/> Telephone: <input type="checkbox"/> Fax: <input type="checkbox"/> Courier: <input type="checkbox"/> By hand: <input type="checkbox"/> Wireless network: <input type="checkbox"/> Other (please specify):	

2.17	Are disaster recovery and contingency plans in place?	Yes/No	
2.18	Is mandatory staff training in place for the following? <ul style="list-style-type: none"> • Data collection • Use of the system or service • Collecting consent • Information Governance 	Yes/No Yes/No Yes/No Yes/No	Dates
2.19	Are there any new or additional reporting requirements for this project? <ul style="list-style-type: none"> • Who will be able to run reports? • Who will receive the report or where will it be published? • Will the reports be in person-identifiable, pseudonymised or anonymised format? 	Yes/No	
2.20	If this new/revised function should stop, are there plans in place for how the information will be retained/archived/transferred or disposed of?	Yes/No	
2.21	How will individuals be informed about the proposed uses of their personal data? (e.g. privacy notices)		
2.22	Are arrangements in place for recognising and responding to members requests for access to their personal data?	Yes/No	
2.23	Will members be asked for their consent for their information to be collected and/or shared? <i>If no, list the reason for not gaining consent, e.g. relying on an existing agreement, consent is implied or other.</i> <i>How will you manage the member/service user dissent?</i>	Yes/No	

Data Mapping

Data mapping should be completed for each 'point of rest' of data being numbered from 1 onwards. 'Data at rest' includes electronic information in a system, spreadsheet or database or on paper in a filing system etc.

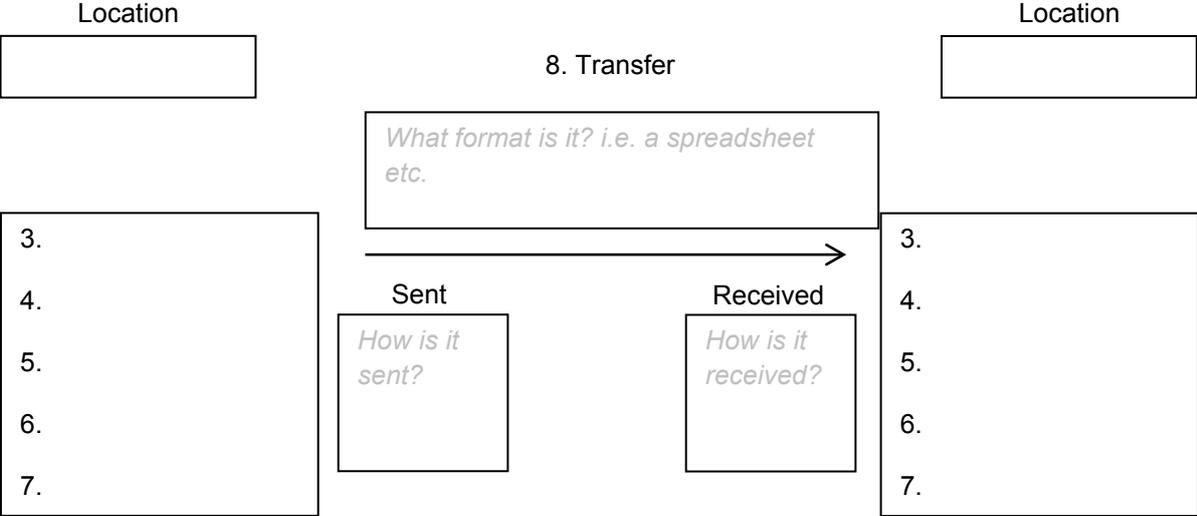
For each point of 'data at rest' answer the following questions in the corresponding section number:

Q	Question	Section for completion
1	What data fields are included e.g. first name, last name, date of birth, postcode, diagnosis etc?	Data Fields Table (3.1)
2	How has the data been gathered? Eg extract from existing system, questionnaire, consolidation etc.	Data Fields Table (3.1)
3	Who has access to the data and what is the process for gaining access?	Data Mapping (3.2)
4	Is there an audit trail showing each time the data is accessed and by whom?	Data Mapping (3.2)
5	What is the format of the data at this point and how is it stored? E.g. paper, electronic, safe haven, encryption, security etc.	Data Mapping (3.2)
6	Who is responsible for the data at this point?	Data Mapping (3.2)
7	Is the data to be shared? If so with who? E.g. will it be shared with other organisations such as LGA, employer, AVC provider etc?	Data Mapping (3.2)
8	Please indicate how data is moved between the points of rest i.e. if electronically is it over a secure route such as local area network, internal email etc.	Data Mapping (3.2)

3.1 – Data Fields Table

Box number (Data flow mapping exercise)	Name of field	What is the source of the data? Which system is it from?	Justification for use

3.2 – Data mapping



PRIVACY IMPACT ASSESSMENT – Assessment of Legal Compliance**(To be completed by the Data Protection Officer)****PIA Reference No.....**

Does the PIA meet the requirements under the Data Protection Act?

Principle No	Principle detail	Section reference	Assessment of Compliance
1	Personal data shall be processed fairly and lawfully fairly and in a transparent manner in relation to individuals	2.21 2.23	
2	Personal data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purpose	2.2	
3	Personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed	2.1	
4	Personal data shall be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay.	2.12	
5	Personal data must be kept in a form which permits identification of data subjects for no longer than necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interests, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by GDPR in order to safeguard the rights and freedoms of individuals	2.12 2.20	
6	Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures	2.22 2.23	

Common Law Duty of Confidentiality

	Assessment of Compliance
Has the individual to whom the information relates given consent?	
Is the disclosure in the overriding public interest?	
Is there a legal duty to do so, for example a court order?	
Is there a statutory basis that permits disclosure? i.e. government	

Human Rights Act 1998

The Human Rights Act establishes the right to respect for private and family life. Current understanding is that compliance with the Data Protection Act and the common law of confidentiality should satisfy Human Rights requirements.

Will your actions interfere with the right to privacy under Article 8 of the Human Rights Act?	Yes/No
Have you identified the social need and aims of the project?	Yes/No
Are your actions a proportionate response to the social need?	Yes/No

Stage 3 – Privacy Impact Assessment

Producing a PIA report

In most small scale projects the PIA may identify one or more IG risks and the lead manager will be advised on the actions necessary to mitigate or eliminate those risks.

Where the PIA discovers complex or several IG risks, the IG Lead will conduct a further more detailed assessment (a full scale PIA) and produce a report.

The final report should cover (where applicable):

- A description of the proposal including the data flow process
- The case justifying the need to process an individual's personal data and why the particular policy or project is important
- An analysis of the data protection issues arising from the project
- Details of the parties involved
- Details of the issues and concerns raised
- Discussions of any alternatives considered to meet those concerns, the consultation process, and the rationale for the decisions made
- A description of the privacy by design features adopted
- An analysis of the public interest of the scheme
- Compliance with the data protection principles
- Compliance with the Government Data Handling review's information security recommendations
- Where the proposal involves the transfer and storage of personal data the PIA should include details of any security measures that will be put into place to ensure the data is protected and kept secure.

Authorisation records and action plan

Identifiable risks, agreed action plan and authorisation form

What are the key privacy issues and associated compliance and corporate risks? (Some Privacy Issues may have more than one type of risk i.e. it may be a risk to individuals and a corporate risk)

Privacy issue	Risk to individuals	Compliance risk	Corporate risk

What actions could you take to reduce the risk and note any further steps that may be necessary (e.g. new guidance notes)

Risk	Solution/s	Conclusion – is the risk reduced, eliminated or accepted?

What solutions need to be implemented?

Risk	Approved solution	Solution approved by

Actions

Action to be taken	Date for completion	Responsibility for action

Sign off

Data Protection Officer	
Name	
Job Title	
Signature	
Date	

Lead/Project Manager	
Name	
Job Title	
Signature	
Date	

What are the grounds for processing personal/personal sensitive data?

General Data Protection Regulations

Lawfulness of Processing – Article 6

Processing shall be lawful only if and to the extent that at least one of the following applies:

- (a) the data subject has given consent to the processing of his or her personal data for one or more specific purposes;
- (b) processing is necessary for the performance of a contract to which the data subject is party or in order to take steps at the request of the data subject prior to entering into a contract;
- (c) processing is necessary for compliance with a legal obligation to which the controller is subject;
- (d) processing is necessary in order to protect the vital interests of the data subject or of another natural person;
- (e) processing is necessary for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller;
- (f) processing is necessary for the purposes of the legitimate interests pursued by the controller or by a third party, except where such interests are overridden by the interests or fundamental rights and freedoms of the data subject which require protection of personal data, in particular where the data subject is a child.

Point (f) of the first subparagraph shall not apply to processing carried out by public authorities in the performance of their tasks.

Conditions for Consent – Article 7

Consent under the GDPR must be a freely given, specific, informed and unambiguous indication of the individual's wishes. There must be some form of clear affirmative action – or in other words, a positive opt-in – consent cannot be inferred from silence, pre-ticked boxes or inactivity. Consent must also be separate from other terms and conditions, and you will need to provide simple ways for people to withdraw consent.

1. Where processing is based on consent, the controller shall be able to demonstrate that the data subject has consented to processing of his or her personal data.
2. If the data subject's consent is given in the context of a written declaration which also concerns other matters, the request for consent shall be presented in a manner which is clearly distinguishable from the other matters, in an intelligible and easily accessible form, using clear and plain language. Any part of such a declaration which constitutes an infringement of this Regulation shall not be binding.
3. The data subject shall have the right to withdraw his or her consent at any time. The withdrawal of consent shall not affect the lawfulness of processing based on consent before its withdrawal. Prior to giving consent, the data subject shall be informed thereof. It shall be as easy to withdraw as to give consent.
4. When assessing whether consent is freely given, utmost account shall be taken of whether, the performance of a contract, including the provision of a service, is conditional on consent to the processing of personal data that is not necessary for the performance of that contract.

What is the legitimate interest's condition?

The General Data Protection Regulations recognise that you may have legitimate reasons for processing personal data that the other conditions for processing do not specifically deal with. The "legitimate interests" condition is intended to permit such processing, provided you meet certain requirements.

The first requirement is that you must need to process the information for the purposes of your legitimate interests or for those of a third party to whom you disclose it.

The second requirement, once the first has been established, is that these interests must be balanced against the interests of the individual(s) concerned. The "legitimate interests" condition will not be met if the processing is unwarranted because of its prejudicial effect on the rights and freedoms, or legitimate interests, of the individual. Your legitimate interests do not need to be in harmony with those of the individual for the condition to be met. However, where there is a serious mismatch between competing interests, the individual's legitimate interests will come first.

Finally, the processing of information under the legitimate interests condition must be fair and lawful and must comply with all the data protection principles.

What Conditions need to be met in respect of special categories of personal data? Article 9

1. Processing of personal data revealing racial or ethnic origin, political opinions, religious or philosophical beliefs, or trade union membership, and the processing of genetic data, biometric data for the purpose of uniquely identifying a natural person, data concerning health or data concerning a natural person's sex life or sexual orientation shall be prohibited.

2. Paragraph 1 shall not apply if one of the following applies:

- (a) the data subject has given explicit consent to the processing of those personal data for one or more specified purposes, except where Union or Member State law provide that the prohibition referred to in paragraph 1 may not be lifted by the data subject;
- (b) processing is necessary for the purposes of carrying out the obligations and exercising specific rights of the controller or of the data subject in the field of employment and social security and social protection law in so far as it is authorised by Union or Member State law or a collective agreement pursuant to Member State law providing for appropriate safeguards for the fundamental rights and the interests of the data subject;
- (c) processing is necessary to protect the vital interests of the data subject or of another natural person where the data subject is physically or legally incapable of giving consent;
- (d) processing is carried out in the course of its legitimate activities with appropriate safeguards by a foundation, association or any other not-for-profit body with a political, philosophical, religious or trade union aim and on condition that the processing relates solely to the members or to former members of the body or to persons who have regular contact with it in connection with its purposes and that the personal data are not disclosed outside that body without the consent of the data subjects;
- (e) processing relates to personal data which are manifestly made public by the data subject;
- (f) processing is necessary for the establishment, exercise or defence of legal claims or whenever courts are acting in their judicial capacity;
- (g) processing is necessary for reasons of substantial public interest, on the basis of Union or Member State law which shall be proportionate to the aim pursued, respect the essence of the right to data protection and provide for suitable and specific measures to safeguard the fundamental rights and the interests of the data subject;
- (h) processing is necessary for the purposes of preventive or occupational medicine, for the assessment of the working capacity of the employee, medical diagnosis, the provision of health or social care or treatment or the management of health or social care systems and services on the basis of Union or Member State law or pursuant to contract with a health professional and subject to the conditions and safeguards referred to in paragraph 3;
- (i) processing is necessary for reasons of public interest in the area of public health, such as protecting against serious cross-border threats to health or ensuring high standards of quality and safety of health care and of medicinal products or medical devices, on the basis of Union or Member State law which provides for suitable and specific measures to safeguard the rights and freedoms of the data subject, in particular professional secrecy; 4.5.2016 L 119/38 Official Journal of the European Union EN
- (j) processing is necessary for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes in accordance with Article 89(1) based on Union or Member State law which shall be proportionate to the aim pursued, respect the essence of the right to data protection and provide for suitable and specific measures to safeguard the fundamental rights and the interests of the data subject.

3. Personal data referred to in paragraph 1 may be processed for the purposes referred to in point (h) of paragraph 2 when those data are processed by or under the responsibility of a professional subject to the obligation of professional secrecy under Union or Member State law or rules established by national competent bodies or by another person also subject to an obligation of secrecy under Union or Member State law or rules established by national competent bodies.

4. Member States may maintain or introduce further conditions, including limitations, with regard to the processing of genetic data, biometric data or data concerning health.

Common Law Duty of Confidentiality

The general position is that, if information is given in circumstances where it is expected that a duty of confidence applies, that information cannot normally be disclosed without the data subject's consent.

The four sets of circumstances that make disclosure of confidential information lawful are:

- where the individual to whom the information relates has given consent;
- where disclosure is in the overriding public interest;
- where there is a legal duty to do so, for example a court order; and
- where there is a statutory basis that permits disclosure such as Local Government regulations

Therefore, under common law, a pension provider wishing to disclose a member's personal information to anyone outside the Fund should first seek the consent of that member. Where this is not possible, an organisation may be able to rely on disclosure being in the overriding public interest. However, whether a disclosure is in the public interest is not a decision to be taken lightly. The judgement to be made needs to balance the public interest in disclosure with both the rights of the individual(s) concerned and the public interest in maintaining trust in a confidential service. Solid justification is therefore required to breach confidentiality and any decision to disclose should be fully documented.

References

Privacy Impact Assessments – The Information Commissioners Office
http://www.ico.gov.uk/for_organisations/topic_specific_guides/pia_handbook.aspx.

REGULATION (EU) 2016/679 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation)
<http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0679&from=EN>

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Information Incident Report Form

This form is for managers and/or senior managers to complete, following the initial report of an information incident. It should not take more than 15 minutes to complete.

If you are unsure about the procedures for managing an information incident, you should read the Council's [Information Incident Policy](#).

Please provide as much information as possible. If you do not know the answer or you are waiting on the completion of further enquiries please state this and indicate when this information may be available. In addition to completing the form below, please provide any other supporting information that maybe relevant.

In the wake of an information incident, swift containment and recovery of the situation is vital. Every effort should be taken to minimise the potential impact on affected individuals and the Council, and details of the steps taken to achieve this should be included in this form.

Contact Details

Please provide your contact details should we require further information concerning the incident (Name and job title, email address and contact telephone number)	
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Details of the information incident

Please describe the incident in as much detail as possible.	
When did the incident happen?	
How did the incident happen?	
If there has been a delay in reporting the incident via the ICT Service Desk please explain your reason(s) for this.	
What measures and operational controls were in place to prevent and/or detect an incident of this nature occurring?	

Personal data placed at risk

What, if any, personal data has been placed at risk? Please specify if any financial, commercial or personal sensitive data has been affected and provide details of the extent.	
How many individuals have been affected?	
Have the affected individuals been made aware that an incident has occurred?	
What are the potential risks, consequences and adverse effects on those individuals?	
Have any of the affected individuals complained about the incident and if so, what action has been taken?	

Containment and Recovery

Has any action been taken to minimise/mitigate the effect on the affected individual(s)? If so, please provide details.	
Has the information placed at risk now been recovered? If so, please provide details of how and when this occurred.	
Have any steps been taken to prevent a recurrence of this incident? If so, please provide details.	
Who have you informed about the incident, both internal and external? For example, in the event of theft, have the Police been informed and do you have a crime number?	

Training and guidance

Please confirm that all employees involved with the incident have successfully completed the Council's mandatory 'Protecting Information' training?	
Has any additional Information Governance training been provided? If so, please provide details.	
Has any specific detailed operational guidance been developed and provided to staff on handling information, including the use of Council IT equipment? If so, please provide details.	

Previous information incidents

Have you reported any previous information incidents in the last year?	
If the answer is yes, please provide brief details.	

Investigation

Have you asked any questions to determine the circumstances leading to the loss of information? If so, please provide details.	
What, if any actions have been taken to preserve evidence and/or create an audit trail relating to the information incident?	
What, if any, remedial actions have been taken since the information incident occurred to prevent any recurrence?	

Where remedial actions have been identified what timescales have been agreed for their implementation? Please provide details.	
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Sending this form

Send your completed form and any related attachments within 1 day of the date of the incident to IG@wolverhampton.gov.uk with 'Information Incident Report Form' in the subject field.

What happens next?

When we receive this form, we will contact you to provide:

- An incident reference number; and
- Information about our next steps

If you need any help in completing this form, please contact Martin Eades, Senior Information Governance Officer, Telephone number: 01902 558653.

Information Governance Team Use Only:	
ICT Reference Number	
WCC Incident Reference Number	
Severity / Impact Rating	

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Pensions Board

23 January 2018

Report title	Pension Board Workplan 2018/19	
Originating service	Pensions	
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

Recommendations for decision:

The Board is recommended to:

1. Review and agree the proposed workplan of the Board for the period 2018/19
2. Confirm any specific training requests for the year 2018/19
3. Undertake the Pension Regulator's Trustee Toolkit and record its completion with the Trustee Management Officer.

Recommendations for noting:

The Board is asked to:

1. Note the training record for the Local Pensions Board for the year to date
2. Note the work on the Fund's statutory and operational policies to date.

1.0 Purpose

- 1.1 To seek approval for the Local Pension Board (“The Board”) workplan for the forthcoming municipal year.
- 1.2 To present the Board’s training record for the year 2017/18 and to identify training needs for the year 2018/19.

2.0 Background

- 2.1 Regulation 106(1) of The Local Government Pension Scheme Regulations 2013 specifies that Local Pension Boards are responsible for assisting the Administering Authority to secure compliance with:
 - the Regulations;
 - other legislation relating to the governance and administration of the LGPS; and
 - the requirements imposed by the Pensions Regulator in relation to the LGPS, and
- 2.2 To ensure the effective and efficient governance and administration of the LGPS.
- 2.3 The National LGPS Scheme Advisory Board (SAB) provides advice and guidance for Administering Authorities and Local Pension Boards on the administration and management of the LGPS. Each year the SAB is required to submit its own workplan, objectives and budget to the Secretary of State for approval. During 2017/18 the SAB has been actively engaging with Funds on asset pooling; transparency reporting of investment costs; the impact of academisation; and scheme deficit management. This work together with the planned employer cost cap review is expected to continue into 2018/19 with an increased focus on data quality and the ability of Funds to meet the deadline for producing Annual Benefit Statements.

3.0 Workplan and work of the Fund to date

- 3.1 Attached at Appendix One is the proposed workplan for the Board for 2018/19. It has been designed in consideration of the work undertaken and requested by the Board and the Scheme Advisory Board to date as well as ensuring the Local Board’s responsibilities under the Act are met. The plan sets out the areas of work carried out and includes the action, frequency and purpose.
- 3.2 The workplan further notes the plan for Policy Review by the Board to review and consider the Fund’s statutory and discretionary policies ensuring the good governance of the scheme.
- 3.3 This year, the Fund has undergone a period of change as we draw closer to the creation of investment pooling in April 2018 as well as having undergone a change in its Senior Management and individual team structures to ensure it is well equipped to meet the drivers for change over the coming year and beyond.

4.0 Policy Review 2017/18

- 4.1 As part of the Board's 2017/2018 workplan the Board are required to review and consider the statutory and discretionary policies of the Fund, divided at each meeting.

Customer Engagement Strategy

- 4.2 Employees have been working to deliver the Customer Engagement Strategy and this year we have seen an increase in the number of member and employer events alongside the launch of the new member pensions portal. Work in this area continues to develop member and employer portal services and looks more broadly at our Digital Transformation. The fund is currently reviewing its Customer Engagement Strategy in line with the Digital Transformation Program which will significantly change the way we interact with our Customers. An overview of our Customer Engagement Plan for 2018 is attached at Appendix Two.
- 4.3 As noted in the Customer Engagement report, the Fund is implementing employer dashboards and changes to employer processes which will be launched in April 2018 as part of a wider Customer Engagement Strategy together with its program of Deferred Member Tracing. A renewed Strategy will be presented to the Board at its July meeting.
- 4.4 The Fund is keen to engage with its Customer on all levels and actively promotes its Customer Feedback Policy on its website and through the engagement activities we undertake. That policy seeks to ensure the Fund is always assessed by its Customers on the services it provides with analysis undertaken to determine continued improvement and to ensure the Fund adapts to the needs of its Customers. A copy of the Fund's latest Feedback Policy is attached at Appendix Three and are the Board are asked to review and approve the draft for publication on our website.
- 4.5 Further analysis of the feedback received is outlined in the Customer Engagement Update report.
- 4.6 The Fund actively promotes its internal teams as customers of each other and as well as improving the service for our customers, the Fund has undertaken a program of self-investment, implementing annual training programs for employees to develop skills highlighted in their annual appraisal and offering secondment opportunities for those wanting to develop their skills in new areas. This year the Fund also ran a successful summer placement program for university students. 9 students from across the West Midlands joined the Fund throughout August and September and played a key role in assisting with workloads across all areas of the Fund.
- 4.7 The Fund continues to look to the future of its workforce and has pledged to the City of Wolverhampton Council's Wolves in Work initiative to provide a number of graduate and apprenticeship posts. Recruitment for these is underway currently alongside a number of other roles to support and develop day-to-day Fund operations.

Local Pension Board Member Code of Conduct

4.8 Members of the Local Pension Board are expected to maintain high standards of conduct when undertaking their duties. On its creation in 2015, the Board adopted a Code of Conduct outlining that standard of behaviour agreeing to review it annually to ensure its continued relevance and compliance with the statutory expectation of Pension Board Members. A copy of the Code is attached at Appendix Four, it is not proposed to make any changes to the Code for the 2018/19 year.

5.0 Local Pension Board Training Record 2017/18

5.1 The Board are required to have the knowledge and capacity relevant to undertake their role as outlined in the Governance Regulations and throughout 2017/18 the West Midlands Local Pension Board achieved a total of 109.50 hours as at December 2017. This is expected to rise before the end of the municipal year. Attached at Appendix Five is an outline of the Board's training record which will be published in the Fund's annual report and accounts reviewed by the Scheme Advisory Board.

5.2 Recently the Fund has seen an increase in interest from the Pensions Regulator in the training and development of pension fund Trustees and Local Pension Board members. The Regulator recently issued its latest survey for LGPS funds asking the question of effectiveness and how it was monitored. The Fund are reviewing its Feedback policy to ensure Trustees and Local Pension Board members are adequately able to assess their effectiveness in their roles.

5.3 The Fund continually reviews its Trustee Training Program to ensure the Committee and the Local Pension Board receives up to date training on issues relevant to the LGPS. The Board are asked to provide Jane Hazeldine, Trustee Management Officer with their reported training hours for this quarter and to highlight any areas of identified training need in consideration of the proposed workplan for 2018/2019.

5.4 In line with the Regulator's expectation on training, the Board are asked to complete the Regulator's Trustee Toolkit available online, in time for the July meeting and to consider any training needs in line with the topics presented.

5.5 A full schedule of training will be presented to the Board's first meeting of the new democratic year in July 2018.

6.0 Financial implications

6.1 The Pension Board is provided for in the Fund's operation budget.

7.0 Legal implications

7.1 None

8.0 Equalities implications

8.1 None

9.0 Environmental implications

9.1 None

10.0 Human resources implications

10.1 None

11.0 Corporate landlord implications

11.1 None

12.0 Schedule of background papers

12.1 Public Service Pensions Act 2013

<http://www.legislation.gov.uk/ukpga/2013/25/contents/enacted>

12.2 The Local Pension Board workplan for 2017/18

<http://wolverhampton.moderngov.co.uk/documents/s35537/Pension%20Board%20Workplan%20201718.pdf>

12.3 CIPFA Knowledge and Skills

<http://www.cipfa.org/policy-and-guidance/publications/p/pensions-finance-knowledge-and-skills-framework--technical-guidance-for-elected-representatives-and-nonexecutives-in-the-public-sector>

12.4 The Pension Regulator Trustee Toolkit

<https://education.thepensionsregulator.gov.uk/login/index.php>

13.0 Appendices

13.1 Appendix One
Workplan 2017/18

13.2 Appendix Two
Customer Engagement Plan 2018

13.3 Appendix Three
Customer Feedback Policy

13.2 Appendix Four
Local Pension Board Code of Conduct

13.3 Appendix Five
Summary of Pension Board Training hours to December 2017

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Pension Board Work Programme 2017/2018

The West Midlands Pension Fund Local Pension Board is responsible for assisting the Fund with the good governance and administration of the scheme by ensuring its compliance with the legislation meeting the requirements of the Pensions Regulator and its adherence to statutory guidance.

Role	Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.
Good Governance				
	Policy review	To ensure the Fund meets its legislative and best practice duties of publishing statements and policies in line with the attached Pensions Board Policy Review Plan	In line with the attached Pensions Board Policy Review Plan	As noted on the Policy Review Plan.
	Fund Communication	To monitor fund performance on the availability and quality of information produced by the Fund in line with its communications strategy	January 2018 to receive an update on the Fund's new customer engagement strategy July 2018 to monitor the Fund's delivery against that strategy through the review of KPI's and customer feedback.	Compliance review – to ensure the Fund meets the TPR Code of Practice on communicating with members Best Practice – to ensure the Fund meets its objectives

Role	Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.
	Customer Engagement	To monitor the effectiveness of the customer engagement strategy	Each meeting the board will be presented with KPI's to monitor the Fund's performance against its customer engagement strategy to include customer journey mapping through the review of feedback and KPI's July 2018 – to review the outcomes of the annual employer survey.	Best Practice – to ensure the Fund meets its objectives
	Scheme Advisory Board KPIs	To monitor via report to the Board, the performance of the Fund against the national comparator in the Scheme Advisory Board KPI's	January 2018 – noted in the report as not published yet by SAB, will continue to monitor to bring to later Board meetings.	Compliance review and best practice
	Data Protection	To monitor the Fund's progress of implementing of the new General Data Protection Regulations	January 2018 – to receive an update on the workplan for implementing the new General Data Protection Regulations by May 2018 deadline and to ensure ongoing compliance with the obligations it imposes.	Compliance review due to new Regulations.

Role	Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.
	Internal and external audit	To receive a report from the Fund's compliance team reviewing the actions from the previous year's audit plan ensuring their implementation/completion.	Annually as received from audit in line with their workplan.	Best Practice – to ensure independent recommendations are implemented.
	TPR compliance monitoring	To receive a report on the Fund's compliance monitoring program, in line with the TPR's expectations.	Annually in July 2018 as part of the TPR reporting schedule.	Compliance Review.
Fund administration				
	Data Quality	To review the quality of data received from employers and suggest ways to improve through working with employers.	January 2018 – to receive an update on the progress of monthly returns and the impact on Data quality at the Fund. July 2018 – to monitor the Fund's implementation of the Pension Administration strategy, including its charging structure.	Best Practice – to assist the Fund in its management of member data and contributions. Compliance review
	Actuarial Valuation – Review of Process	To review the Fund's approach to managing the Actuarial Valuation and the engagement with employers	July 2018 (in preparation for 2019 valuation)	Best practice/event driven – to assist in the building of relationships with the employer base.

Role	Area of work	Action	Date	Purpose of work Compliance Review/Best Practice or Event driven.
	Academisation Review (Scheme Advisory Board)	To monitor the work of the Scheme Advisory Board on this area and how it may impact the Fund.	Each meeting	Best practice and event driven.
Investment	Investment Strategy and Implementation	To receive updates on the Fund's work in this area, including the transition to LGPS Central pool and the Governance structure going forward.	Annual policy review (July) January 2018	Compliance review – ensuring the Fund meets its legislative duty to achieve efficient investment returns and meets legislation for investment pooling.
Finance	Annual report and accounts	To consider the annual Scheme Advisory Board report following publication of our report and to draw comparisons as areas for proposed improvement	July 2018 following accounts close.	Compliance review – ensuring the Fund meets its legislative duty in the production and publication of an annual report

West Midlands Pension Board
Policy Review Plan 2018/2019

Name of Policy	Responsible Officer	Frequency of Review	Requirement	To be considered by Pension Board
Governance Compliance Statement*	Head of Governance	Annually (Sept) to confirm relevant and up to date and ensure the legislative duty has been complied with	Compliance – statement of operational governance structure including delegations and meeting arrangements	July 2018
Pensions Administration Strategy*	Director of Pensions	Annually (Sept) to confirm relevant and up to date and ensure the legislative duty has been complied with	Compliance – outlining the service standards for the Fund and employers	July following publication 2018
Funding Strategy Statement*	Director of Pensions	Monitored annually with a full review and update following each triennial valuation	Compliance – to ensure the Fund meets its duty to pay pensions when they fall due	July following completion of the valuation process 2019

Name of Policy	Responsible Officer	Frequency of Review	Requirement	To be considered by Pension Board
Investment Strategy Statement (ISS) (currently Statement of Investment Principles)*	Assistant Director, Investments and Finance	Annually (Sept) to confirm relevant and up to date and ensure the legislative duty has been complied with	Compliance – investment strategy and implementation typically reviewed and updated alongside each triennial valuation and also in line with key market influences and world events	July following completion of the valuation process 2019
Responsible Investment Statement*	Responsible Investment Officer	Annually (Sept) to confirm relevant and up to date and ensure the legislative duty has been complied with	Best Practice – outlines Fund beliefs and approach to integration with investment strategy. Supplements the ISS	July 2018
Compliance with the Stewardship Code for Institutional Investors	Responsible Investment Officer	Annually (March)	Best Practice – the Fund's supports and seeks to apply principles in investment activities.	July 2018

Name of Policy	Responsible Officer	Frequency of Review	Requirement	To be considered by Pension Board
Customer Engagement Strategy	Head of Governance	Annually	Best Practice – broadens the communication policy to review effective engagement	January 2018 to ensure the Fund is complying with the promises made to our customers to ensure we engage with them on the services provided. As noted in the report, the Fund is reviewing this policy in consideration of its work on the Digital Transformation Program, an update will be presented at the July meeting.

Name of Policy	Responsible Officer	Frequency of Review	Requirement	To be considered by Pension Board
Communications Policy*	Head of Governance	Annually to confirm relevant and up to date and ensure the legislative duty has been complied with	Compliance – legal duty to publish a communications policy outlining how we communicate and with	Delivery and performance to be reviewed at each Board meeting to assist in its implementation.

			who	
Customer Feedback Policy	Head of Governance	Annually (Dec)	Event driven	January 2018 to ensure the Fund is actively managing the feedback received and that new ideas and lessons learned are being implemented.
Administering Authority Policy Statement*	Director of Pensions	Annually to confirm legislative duty has been complied with	Compliance – published policy on the exercise of discretionary administration functions	July 2018

Name of Policy	Responsible Officer	Frequency of Review	Requirement	To be considered by Pension Board
Pension Board Member Conduct Review Policy	Head of Governance	Annually in line with statutory guidance from the Scheme Advisory Board	Compliance – to outline how the Fund will manage complaints against Board members. Required under the Public Service Pensions Act 2013	July 2018
Freedom of Information and Data Protection	Head of Governance	Annual review of the information governance policies	Compliance – new regulations coming into force May 2018	To review at each board meeting the progress of

				implementing regulatory changes.
Policy on Termination Funding for Employers	Director of Pensions	Annually monitored to confirm legislative duty has been complied with	Best Practice – formally reviewed as part of each triennial valuation	July following formal review
Employer Risk Management Policy	Head of Client and Funding Management	Annually under review, with full review in line with the Actuarial Valuation	Compliance	July 2018

The West Midlands Pension Fund Local Pension Board is responsible for assisting in the good governance and administration of the scheme. Part of their role is to ensure the Fund complies with statutory requirements on the publication of policies, as well as ensuring the Fund has in place appropriate practices for managing and administering the scheme. This policy review plan highlights the policies published by the Fund. The Local Pension Board will review the Fund's compliance to publishing these policies at each meeting on a rolling 12 month plan, considering half of the policies at each of its meetings.

* These policies are published in the Fund's annual report and accounts.

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Customer Engagement Plan 2018

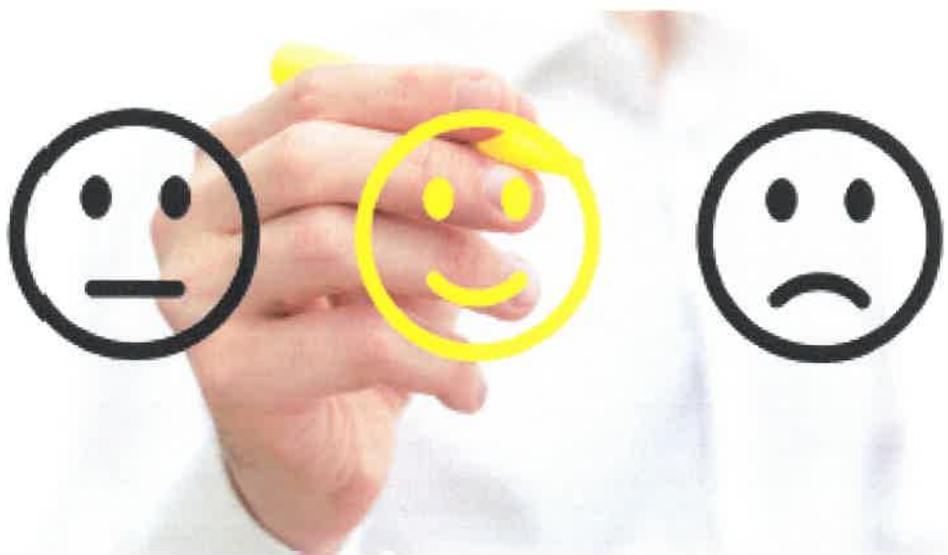
Employer	Employer Peer Group Employer coaching session	Employer coaching session Employer Briefing Note Launch Customer Engagement Strategy 2018	Employer Peer Group Engage employers to promote benefit statements on Portal	Employer survey results, actions and improvements published Employer Briefing Note	Employer Peer Group Issue accounting disclosure for employers with year ending 31 March Mid Year Review	Employer Briefing Note
	Member (active)	Prize draw for web portal registrations Member satisfaction results published Reminder to access benefit statements on portal	AVC events Main depot roadshow	Main depot roadshow Prize draw for web portal registrations Member satisfaction results published	Education site roadshow	Education site roadshow AVC summer events
Member (deferred)	Prize draw for web portal registrations Member satisfaction results published Reminder to access benefit statements on Portal	AVC events	Main depot roadshow	Main depot roadshow Prize draw for web portal registrations Member satisfaction results published	Education site roadshow	Deferred benefit statements available on web portal Education site roadshow AVC summer events
Member (pensioner)	Prize draw for web portal registrations Member satisfaction results published Reminder to access to benefit statements on Portal	AVC events	Quarterly and annually paid pensioner payslips, newsletter and P60s issued Main depot roadshow events	Monthly paid pensioner newsletter and P60s issued Main depot roadshow Prize draw for web portal registrations Member satisfaction results published	Education site roadshow	Quarterly payslips issued Education site roadshow AVC summer events Reminder to access P60 on Portal
Trustees/ Pension Board	Media Roundup 23 January: Pensions Board meeting	Media Roundup 20 February Shareholder Forum (LGPS Central)	Media Roundup Pooling update 28 March: Pensions Committee	Media Roundup External investment training Satisfaction results published	Media Roundup Mid Year Review	Media Roundup Trustee and Pensions Board induction 25 June: Pensions Committee

Customer Engagement Plan 2018

Employer	Employer Peer Group Employer coaching session	Employer Briefing Note	Employer coaching session Issue accounting disclosure to employers with year end 31 July	Employer Briefing Note Issue accounting disclosure to employers with year end 31 August	Annual general meeting Employer Peer Group Employer coaching session Employer satisfaction survey circulated	Employer Briefing Note
Member (active)	Education site roadshow AVC summer events AVC statements sent to members by Prudential Prize draw for web portal registrations Member satisfaction results published	Annual benefit statements available on web portal Web portal workshops	Civic roadshow events	Civic roadshow events AVC autumn events Prize draw for web portal registrations Member satisfaction results published		
Member (deferred)	Education site roadshow AVC summer events Prize draw for web portal registrations Member satisfaction results published	Web portal workshops	Civic roadshow events	Civic roadshow events AVC autumn events Prize draw for web portal registrations Member satisfaction results published		
Member (pensioner)	Education site roadshow AVC summer events Prize draw for web portal registrations Member satisfaction results published	Web portal workshops	Overseas pension confirmation distributed Civic roadshow events Quarterly payslips issued	Civic roadshow events AVC autumn events Prize draw for web portal registrations Member satisfaction results published		Quarterly payslips issued
Trustees/ Pension Board	Media Roundup 3 July: Pensions Board July: Trustee training Training needs analysis Member satisfaction results published	Media Roundup	Media Roundup 5 September: Pensions Committee	Media Roundup Satisfaction results published	Media Roundup Annual general meeting	Media Roundup 12 December: Pensions Committee
	July	August	September	October	November	December



Customer Feedback Policy



January 2018

Feedback Policy

1) Purpose

The West Midlands Pension Fund believes in putting our customers first, and we are constantly looking at ways we can improve the services we provide through regular feedback and focus groups.

The Fund encourages engagement from members and employers and has found that one of the best ways to obtain a true opinion on the services we provide is through the comments, compliments and complaints we receive.

This policy sets out how the Fund manages and responds to comments, compliments and complaints and details what service members can expect to receive when providing this feedback.

2) Scope

This policy applies to all correspondence received by the Fund where a member or stakeholder is providing feedback on any aspect of service the Fund provides and should be adhered to by all Fund staff including those representing it (such as Trustees or Pensions Board members).

3) Comments

Comments are statements provided to the Fund that give an opinion on how we performed or the way the member felt when receiving a service. Comments can be good or bad and do not necessarily fall into the category of compliment or complaint.

4) Compliments

Compliments are statements of good opinion. Where the member believes the fund has performed well, are happy with the service they received and want to share that good feeling with others.

5) Complaints

Complaints are the opposite to compliments and often contain an opinion about an alleged breach of service standards, a failure to answer a member's question or a feeling by the member that the service they received is not good enough.

To assist in determining a complaint, the Fund has created the below list which seeks to cover a broad range of matters a member may complain about:

- A failure to provide a service at the level or standard expected by the customer.
- A perceived unhelpful/discourteous attitude from a staff member.
- Neglect or delay in responding to a request for service.
- A failure to follow the Fund's agreed policies, rules or procedures.
- A failure to consider all information in coming to a decision.
- Malice, bias or unfair discrimination of all natures.

Customers can also ask someone to take their complaint forward on their behalf; this may be a trade union representative, welfare officer, a family member or friend. In order to provide information to a representative the Fund will require confirmation from the member that they have appointed them and are happy for them to receive correspondence.

6) Methods of Communication

When seeking feedback the Fund encourages contact through every available medium and will address any comments, compliments or complaints received in any form.

Contact may be made through our customer helpline, verbally on the phone. By letter, email or through feedback forms from one of our events or roadshows.

We also host a feedback form on our website at www.wmpfonline.com

7) Exceptions

While the Fund will always try to address any contact received from customers, there may be occasions where we will not be able to deal with the query under this process either because it is covered by a different policy or because we are unable for reasons of business/commercial sensitivity.

The types of areas that we won't deal with through this process include:

- staff/ex-staff complaints about employment matters including grievances or disciplinary hearings;
- cases where legal action has started;
- questions or comments that might lead to the release of commercially sensitive information (where this applies the customer will be informed this is the reason);
- complaints about trustees or Pension Board members; and
- where the matter is already being dealt with another way (e.g through the IDRP process).

The Fund will offer support and assistance to anyone wanting to provide feedback on our services and where it is not deemed appropriate to deal with the feedback under this policy, we will try to assist by directing them to a more appropriate channel or procedure.

8) Process – Comments

Any comment received will be recorded in a central file on Sharepoint (the Fund's intranet) by the individual receiving it and highlighted to the team manager responsible for the service being commented on.

It is not usual for contact to be made with a customer who is providing a comment.

9) Process – Compliments

When the Fund receives a compliment in any topic relevant to the work of the Fund, it is recorded on a central log on Sharepoint by the individual receiving the compliment (whether about them or not). The Fund's compliance team have access to this log and will report monthly to the Senior Management Team on the number of compliments received in that period.

Any department or individual who has received a compliment will receive feedback and recognition for the work they have done in assisting that customer.

10) Process – Complaints

When dealing with complaints the Fund will always try to resolve a customer's issues in the first instance through our Customer Contact Centre. However, we understand that sometimes customers may feel that the response they receive does not address their concerns.

What Will Happen to Your Complaint?

To ensure a fair and balanced approach, the Fund has created a three-stage complaints process, each of which progressing in escalation.

Under each process, the Investigating Officer is required to highlight any potential training needs or staff development opportunities feeding this back to the manager for the service area involved.

Informal Process

Where possible the Fund will always deal with complaints at the first point of contact. Often customers contact the Fund via our helpline and it is the responsibility of our call handlers to ensure customers calling to complain are given every opportunity to explain their concerns. The Customer Services Manager is responsible for the Customer Contact Centre and for ensuring the team are skilled and resourced to enable them to resolve the matter at this point reducing the need for further action.

There will be times when our call handlers are unable to resolve a query raised or the customer requires a further explanation. Where this occurs the formal complaints process will begin and the matter will be formally logged as a complaint by the Customer Services Manager and passed to the Fund's compliance and risk team.

Stage One

Where a complaint cannot be resolved in the first instance or is received via email/letter/written correspondence this will start the stage one process which requires the person receiving the complaint to notify the Fund's compliance team.

The complaint will be logged on the central system.

Once the compliance team are notified that the complaint has been received, the complainant will receive an acknowledgment that their correspondence has been received and is being reviewed by an Investigating Officer confirming the date by when a response will be issued. When investigating the complaint, the Fund officer will speak to staff members involved and where necessary review members' records.

A response will be issued within 21 days of receiving the complaint. Should this deadline need to be extended in order to provide the opportunity for further investigation, the complainant will be notified before the 21-day deadline.

Stage Two

Where a complaint cannot be resolved under Stage One or the complainant believes their concerns have not been adequately addressed, the matter will progress to Stage Two.

When a complaint progresses to Stage Two, it will be investigated by a senior manager at the Fund, who will review the complaint, review the response provided under Stage One and consider whether the issue has been addressed.

As with Stage One, an acknowledgment will be sent to the complainant confirming their complaint is being considered under the Stage Two process and a full response issued within 21 days.

Stage Three

Should a complaint not be resolved under Stage One or Stage Two, and a member or employer wants to progress further with their complaint, the matter will then progress to Stage Three where the complainant has a right to ask the Director of Pensions to review their complaint and the responses received.

There may be occasions where a complaint details an event or a circumstance that suggests something has happened that is so serious, it will progress automatically to the Stage Three process.

Under Stage Three, the Director will review all correspondence relating to the complaint and will conduct an investigation as to whether all appropriate action has been taken. A response will be issued within 21 days.

Local Government Ombudsman

Stage Three is the final stage of the Fund's complaints process. Should a complainant remain unhappy with the response received they do have a right of appeal to the Local Government Ombudsman.

The Local Government Ombudsman does not usually investigate or respond to complaints unless the in-house process has been exhausted. Complainants will therefore need to progress through all three stages of the Fund's complaints process before the ombudsman will become involved.

The ombudsman may be contacted at the address below

Local Government Ombudsman

PO Box 4771
Coventry
CV4 0EH
Tel: 0300 061 0614
Website: www.lgo.org.uk

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Local Government Ombudsman

PO Box 4771
Coventry
CV4 0EH

The Pension Advisory Service (TPAS)

TPAS offer a free and impartial advisory service to all members of a workplace pension scheme and can be contacted any point during a member's contact with the Fund

www.pensionadvisoryservice.org.uk

Complaints Monitoring

As part of the Fund's objective to be a customer-focused service, we will review all complaints on a monthly basis as part of the Senior Management Team (SMT) meeting. Where it appears that patterns may be emerging in the complaints being received, either by subject or service area, SMT will discuss this with the service area responsible implementing a review of process or training needs as necessary.

In addition the Fund Local Pension Board receive regularly updates on the Customer Engagement Program of the Fund which includes feedback on the Fund's performance in the area of complaints.

Officer Contacts

Rachel Howe

Head of Governance and Corporate Services
Rachel.Howe@wolverhampton.gov.uk

Customer Services Manager

Pensionfundenquiries@wolverhampton.gov.uk



Committee Code of Conduct for the West Midlands Pension Fund

This code applies to all persons nominated to the Pension Committee (including its sub-committees) and the Pension Board (together Committees) in consideration of the principles set out in the Public Service Pensions Act 2013 and the Codes of Practice issued by the Pensions Regulator.

The Code of Conduct is intended to promote high standards of behaviour amongst those appointed to the committees and is underpinned by the seven principles of public life adopted by the administering authority for its own elected members. These should be borne in mind when interpreting the meaning of the Code.

- i) Selflessness**
Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family or their friends.
- ii) Integrity**
Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.
- iii) Objectivity**
In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.
- iv) Accountability**
Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.
- v) Openness**
Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.
- vi) Honesty**
Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.
- vii) Leadership**
Holders of public office should promote and support these principles by leadership and example.

PART ONE

1.0 General Provisions

- 1.1 This Code applies to you as a person appointed to the Committees of the West Midlands Pension Fund (The Fund).
- 1.2 It is your responsibility to comply with the provisions of the Code and ensure all obligations are met.
- 1.3 In this Code “**Meeting**” means any meeting of any of the committees within the Fund, any external meeting at which you are a representative of the Fund and any meeting where your behaviour may be a perceived as a reflection on the Fund.

2.0 Scope

- 2.1 You must comply with this Code whenever you are conducting the business of the Fund or acting in the capacity of a person appointed to a committee of the Fund.

3.0 Respect

3.1 You must treat others with respect.

It is the collective responsibility of all persons appointed to the committees of the Fund to create a fair, safe and enjoyable environment for members, employers and officers which is free from discrimination, intimidation and abuse.

3.2 You must not:

- 3.2.1 do anything which may cause the Fund to breach the Equality Act 2010;
- 3.2.2 bully any person;
- 3.2.3 intimidate or attempt to intimidate any person;
- 3.2.4 do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the Fund.

4.0 Confidentiality

- 4.1 You must not disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:
 - 4.1.1 you have the consent of a person authorised to give it;
 - 4.1.2 you are required by law to do so;
 - 4.1.3 the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or

4.1.4 the disclosure is:

- (aa) reasonable and in the public interest; and
- (bb) made in good faith and in compliance with the reasonable requirements of the Authority.

Any assessment as to (aa) or (bb) above shall be conducted with the Director of Pensions and no decision as to the release of information under these two provision shall be taken until the Director of Pensions has given her agreement to its release.

4.2 You must not prevent another person from gaining access to information to which that person is entitled by law.

5.0 You must not

- 5.1 Conduct yourself in a manner which could reasonably be regarded as bringing the Fund into disrepute.
- 5.2 Place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.
- 5.3 Use or attempt to use your position as a person appointed to improperly confer on, or secure for yourself or any other person, an advantage or disadvantage including providing or offering to provide information as to the Fund's business/transactions or investment or a reference for any candidate for employment or promotion.
- 5.4 Use or allow to be used Fund resources improperly for political purposes (including party political purposes) and act in accordance with the Fund's reasonable requirements.

6.0 You must

- 6.1 When reaching decisions on any matter have regard to any relevant advice provided to you by:
 - 6.1.1 Officers of the Fund
 - 6.1.2 Officers of the administering authority, (where that officer is acting pursuant to his or her statutory duties).
 - 6.1.3 The Pension Board or other committees within the fund
 - 6.1.4 Any third party appointed by the Fund to provide specialist advice
- 6.2 Give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed.
- 6.3 Make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, on individual and independent merit.
- 6.4 Make all decisions in relations to investments and the financial management of the Fund objectively, in a fair business-like manner with reasonable care skill and caution and with reasonable alert to the interest of members of the Fund.
- 6.4 Be as open as possible about your decisions and actions and the decisions and actions of the Fund, and should be prepared to give reasons for those decisions and actions, notwithstanding your other obligations under this Code.

7.0 Accountability

7.1 You are accountable to the members for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your appointment.

PART TWO - CONFLICT OF INTERESTS

Under Section 5 of the Act the Scheme Manager must be satisfied that persons appointed to the Pensions Board do not have a conflict of interest in matters to be considered.

The Pensions Committee as Scheme Manager has taken this one step further and requires all persons appointed to any committee of the Fund to declare any interest which amounts to a conflict of interest in a matter to be discussed. The responsibility for ensuring this compliance has been delegated to the Head of Governance.

8.0 Declaring Interests

- 8.1 Subject to paragraph 8.6 (sensitive interests) you must within 28 days of
 - i) this Code being adopted or
 - ii) your appointment to a committee (where that is later) or
 - iii) an interest becoming known to you notify the Fund's Head of Governance of any matter which may, during the course of your appointment, cause or create a conflict of interest.
- 8.2 Interests which may constitute a conflict include interests of yours, your spouse, a family member or close associate and are usually financial interests, business interests or personal interests which may create bias.
- 8.3 Where such an interest exists and you have not previously notified the Head of Governance, you are required to announce it at the meeting where the conflict arises.
- 8.4 The Head of Governance will retain an interests register.
- 8.5 Where you have an interest which may give rise to a conflict you must not remain in the meeting or participate in the discussions on the matter on which you hold that interest.
- 8.6 Sensitive interests are interests which, if disclosed, could lead to the person appointed being subject to violence or intimidation. Sensitive interests will never be made public and the person appointed is not required to declare the nature of the interest at a public meeting, but merely that the interest exists and could give rise to a conflict.

Summary of Pension Board Training Hours to December 2017						
ATTENDEES	IN HOUSE STRUCTURED	BOARD MEETINGS	MYR and AGM	EXTERNAL CONFERENCES & SEMINARS	ON-LINE TRAINING/READ- ING	TOTAL HOURS
Britton Jan	0.00	0.00	4.00	0.00	0.00	4.00
Campion Sharon	6.00	0.00	8.00	1.50	0.00	15.50
Malcolm Cllr Hazel	6.00	0.00	0.00	0.00	0.00	6.00
Johnson Paul	6.00	0.00	4.00	0.00	1.50	11.50
Jones Caroline	0.00	0.00	4.00	0.00	14.00	18.00
King Annette	0.00	0.00	0.00	0.00	0.00	0.00
McCormick Joe	0.00	0.00	8.00	0.00	0.00	8.00
Nash Lee	0.00	0.00	4.00	0.00	0.00	4.00
Samuels Sandra	0.00	0.00	4.00	0.00	0.00	4.00
Sayers Paul	0.00	0.00	4.00	0.00	0.00	4.00
Sutton Mike	0.00	0.00	8.00	5.50	14.00	27.50
Turner Adrian	3.00	0.00	4.00	0.00	0.00	7.00
TOTAL	21.00	0.00	52.00	7.00	29.50	109.50

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Pensions Board

23 January 2018

Report Title	Customer Engagement Update	
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

Recommendation for noting:

The Board is asked to note:

1. The engagement activity to date and plans for future engagement on the horizon.

1.0 Purpose

- 1.1 To provide the Board with an update of the Fund's customer engagement activity to date, in line with its Customer Engagement Strategy.

2.0 Background

- 2.1 One of the Fund's key objectives is to provide excellent customer service. In line with this objective, the Fund has published, and keeps under review, a Customer Engagement Strategy.
- 2.2 In line with the Customer Engagement Strategy, the Fund strives to engage with as many stakeholders as possible, to obtain and consider their feedback which will help inform improvements to the service.
- 2.3 This report outlines some of the recent customer engagement activity, both the work undertaken by the Member Services team and examples of specific engagement with a variety of stakeholders.

3.0 Member Services Team

- 3.1 The Fund maintains a dedicated team which engages with members on a variety of subjects, to support them with what are often technical pensions matters and so as to increase their understanding of the pension benefits provided by the LGPS.
- 3.2 In total, the Member Services Team has assisted 1,360 members via its Roadshows with pension related information over the period April to December 2017.

Presentations

- 3.3 Fund officers have continued to deliver presentations upon request from employers. The team provide support on a variety of pension topics that are requested by an employer for their employees.
- 3.4 The emphasis during this reporting period has been:
- Planning, developing and enhancing our service.
 - Supporting those members who are at risk of redundancy or maybe facing reductions in pay.
 - Providing support and guidance to members at local authority depot sites and further and higher educational establishments using the Pension Roadshow Bus.
 - Planning and delivering joint Fund and Prudential events.
 - Providing an overview of the scheme and communicating the benefits the scheme offers.

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[NOT PROTECTIVELY MARKED]

- 3.5 A total of 11 Fund presentations were delivered to 224 attendees, these presentations were held at a variety of different employers, including the district councils, universities, schools/academies and other admitted bodies.
- 3.6 The feedback from these presentations was 37.25% of the members rated them as excellent, 31.5% as very good, 22.25% as good, 8.75% as satisfactory and 0.25% as poor. Therefore, over 90% of members rated presentations as good, very good or excellent.
- 3.7 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 22 of these presentations were delivered across 7 employers, 331 members attended.

Roadshows

- 3.8 During the reporting period April to December 2017 the Fund started to deliver Roadshow events at our local authority sites. The roadshow Statistics for this reporting period are:

Roadshow Event	Footfall
April 2017	
Redfern Road depot	41
Perry Barr depot	63
Montague Street	65
Leys Lane	78
May 2017	
Bham Met College Stourbridge campus	25
Bham Met College Matthew Boulton campus	18
Sixth Form College	30
June 2017	
Sandwell College	31
Halesowen College	45
City College Coventry	30
City of W'ton College	31
Bournville college	52
Dudley College	37
Walsall College	41
July 2017	
Henley College	26
Sandwell Leisure Trust (Wednesbury)	8
Sandwell Leisure Trust	10

August 2017	
Amey	28
September 2017	
Birmingham CC / Woodcock Street	102
Wolverhampton CC	98
Dudley MBC	15
Birmingham CC / Lifford House	82
Solihull MBC	87
Sandwell MBC	92
Walsall MBC	74
Coventry CC	116
October 2017	
South & City College	36
TOTALS	1361

Satellite Site support

- 3.9 To ensure the Fund covers a diverse cross section of our members and employers over the West Midlands, we are targeting smaller satellite offices where members due to their role and/or work patterns are unable to attend events at larger employer sites. The departments being considered are Social Services, Libraries, Leisure Centres, recycling depots, environmental services.

Additional Support

- 3.10 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 67 members on an individual basis.
- 3.11 A summary of the feedback received from members attending the Member Services team events is covered in Appendix A. Overall 98% of members were satisfied or more with the service provided by the Member Services team.

4.0 Customer Services Team

- 4.1 An overview of our front-line customer contact activity is shown in Appendix B. This outlines the variety and volume of support provided by the Fund to address members' pension queries. An indication of the statistics for the previous year is included within the charts as a comparative measure.

- 4.2 During July and August, the Fund's call response rate fell slightly short of the KPI of 85%. The primary reasons for this were as follows:
- An increase in call volume
 - An increase in email volume
 - An increase in web portal 'ask a question' queries
- 4.3 The increase in customer contact can be attributed to the effect of redundancy programmes implemented by individual employers along with the implementation of the new member Pensions Portal.
- 4.4 During August, additional support was provided to the team in order to manage the increased workload. As result of this support, the KPI was achieved in September.
- 4.5 We are continuing to see a trend of increasing customer enquiries including a preference for electronic communications among members.
- 4.6 The Fund is exploring ways in which efficiencies can be identified to manage the customer contact received. Potential improvements in both our systems and internal processes are being investigated at this stage. These improvements will then be investigated as part of the council-wide Digital Transformation Programme and in conjunction with our system provider, Civica.
- 4.7 Members are able to visit the Fund's reception for one-to-one consultations as required during office opening hours, although in general members are encouraged to book an appointment where possible to ensure there is appropriate resourcing and cases can be researched in advance. As highlighted in appendix B, 472 members visited reception during the reporting period.
- 4.8 The Fund's Customer Services team is currently leading on an application to become a recognised "Dementia Friendly Organisation" with "Dementia Friend" training planned for Fund staff in January/February 2018.

5.0 Customer surveys

- 5.1 The Fund has recently negotiated a customer survey as part of its telecommunications package with Windsor Telecom.
- 5.2 The optional survey has been applied to the Customer and Employer helplines with effect from 1 December 2017 and will take customers less than a minute to complete. Customers are also able to request a call back to discuss their feedback further.
- 5.3 In addition to the telephone survey, the Fund has developed an electronic survey hosted through SurveyMonkey. A link to the survey has been added to letters and emails sent by the Customer Services team.
- 5.4 The output and results of the surveys are currently being finessed in terms of the information provided, and this will be reviewed on a monthly basis and reported to

Pensions Committee and Local Pension Board, will provide the Fund details of customer satisfaction levels and also important information which will enable prioritisation for service development and any corrective action to be taken as required.

6.0 Employer Annual General Meeting (AGM)

6.1 The Fund held its employer AGM on 29 November 2017 at the Molineux Stadium, Wolverhampton. Attended by 54 representatives from our employer organisations, Pension Board, Committee & Union members, feedback from attendees was positive with 52% rating the AGM as excellent and 48% rating it as good. More detailed feedback from the event is provided in appendix C.

6.2 The Fund continues to explore ways in which to further promote the employer AGM and the Mid-Year Review, in order to encourage an increased and diverse (representing all the main employer groups) attendance at future events.

7.0 Pensioner engagement forum.

7.1 The Fund held a pensioner engagement forum on 18 October 2017. This is a relatively new initiative and is aimed at ensuring engagement extends to pensioner members who are currently receiving benefits from the Fund to obtain their feedback on their experience and anything else they would like to see from the Fund in the future.

7.2 The first pensioner engagement forum was attended by five pensioner members by way of a pilot forum, however the plan is to increase numbers for future events and to further define the scope of these meetings.

7.3 The pensioner engagement forum covered the following principal topics:

- Pensioner Newsletter
- Tell us once service
- The Fund's web portal
- Retirement experience
- Feedback on retirement education workshop the Fund is planning
- Proposals for the future

8.0 New Member Pensions Portal Promotion

8.1 The Fund implemented a new Pensions Portal in August 2017 as an upgrade in terms of efficiency and functionality on its predecessor. The Pensions Portal has been designed using member feedback and is expected to deliver efficiencies for customers, our employers and the Fund.

8.2 To maximise the number of members using the new Pensions Portal, a communication plan was developed for both the Fund and employers. Employers were also issued with a toolkit to assist them with their promotions.

- 8.3 The City of Wolverhampton Council were the first Fund employer to pilot the communication plan and as a direct result, saw a 19% increase in the number of members registered for the Pensions Portal. The communication plan and toolkit has now been circulated to the remainder of our employer base with the aim of increasing their Pensions Portal users.
- 8.4 Overall, as a combined result of Fund and Employer portal promotions, the Fund saw a 102% increase in the number of activated Portal users over an eight week period compared to the previous year. Work to increase the number of Portal users will become part of the daily functions of the Member & Customer Services Teams, with progress being reported on a regular basis.
- 8.5 There are currently over 39,000 members registered to use the web-portal facility as at 30 September 2017. A breakdown of those registered and authenticated between the Main Fund and WMITA is provided below:

Registered and authenticated

WMITA - 743

WMPF – 38,889

- 8.6 There has been an increase of over 6,000 registered members over the last quarter due to the work by the member services team on promoting the new web portal and alongside promotion by several of the Fund's larger employers.

9.0 Website Development

- 9.1 The Fund recently undertook a comprehensive review of the website to ensure that the latest information is accessible to our customers.
- 9.2 The next stage is to assess how the Fund can use the latest website technology to create efficiencies and meet ever changing customer expectations as part of the Digital Transformation Programme. Any amendments made to the Fund's website will be representative of the employer and customer base.

10.0 Employer performance

- 10.1 The Fund continues to engage with participating employers to cover both the Fund's own performance and the performance of individual employers in line with the Pensions Administration Strategy (PAS).
- 10.2 The performance of the Fund and participating employers is covered at both the Mid-Year Review and Annual General Meeting events, with summary performance covered in the Employer Briefing Note issued every two months.
- 10.3 The Fund has implemented a performance dashboard which provides a summary of performance against key data sets or responsibilities set out in the PAS. As part of rolling-out these dashboards they were trialled with district councils and the Employer

Peer Group to obtain valuable feedback. In line with the revision required for the PAS (to reflect the move to monthly data submissions from the previous annual cycle) the Fund has reviewed the dashboards and will release a revised version effective 1 April 2018. Again it is the intention to engage with district councils and the Employer Peer Group to develop the dashboards to ensure the relevant performance information is provided and also to facilitate greater self-assessment by employers.

- 10.4 In line with the LGPS Regulations (Regulations 80(3) and (4)) and the Fund's Pension Administration Strategy (PAS) the Fund has reviewed the performance of participating employers with regards to the submission of annual returns information. As a result, where employers submitted this data outside of the required timescales or in excess of the permissible 5% error rate of their total Active Membership, a charge has been levied.
- 10.5 Although there was a significant improvement in the timeliness of receipt of annual returns, the quality fell short of the 5% threshold in a number of cases. The Fund has written to 261 employers attaching an invoice for the relevant charges applying to each organisation. As part of this process, employers are able to appeal such charges where evidence can be provided to suggest data submissions were on time or where mitigating circumstances apply. If payroll provision is outsourced by an employer, the overriding responsibility remains with the employer and the Fund engages with employers prior to charges being triggered.
- 10.6 The Fund will continue to engage with all employers written to as part of this process, both to further consider the charges themselves, but primarily with a view to ensuring sufficient performance for 2018/19 and beyond.

11.0 Employer Peer Group

- 11.1 The Fund is currently reviewing and refreshing the terms of reference for the Employer Peer Group as well as considering the attendees with a view to widening the diversity of representation within the group.
- 11.2 During early 2018 the Fund will send out an invitation to all participating employers in order to increase the membership of this group, but also to ensure that representation covers all of the main employer sectors.
- 11.3 Aligned to the terms of engagement for the Employer Peer Group and forming part of the workplan for 2018, the group will review the ways in which the Fund engages with its employers, the content of the Fund's employer coaching sessions, and also the information made available to employers to include the use electronic notice boards and interactive forums.
- 11.4 As outlined above, the timing and content of the employer coaching sessions will be reviewed by Employer Peer Group, the planned dates of which for 2018 are as follows:

7th February 2018
18th April 2018

13th June 2018
12th September 2018
14th November 2018

12.0 Birmingham Association of School Business Management (BASBM) conference

- 12.1 Following attendance at the same event in 2016, the Fund was invited to provide a workshop session at the Birmingham Association of School Business Management (BASBM) conference on 15 November 2017 where over 70 Birmingham based academies were in attendance and over 200 attendees in total (extending to LEA schools).
- 12.2 As part of the Fund's session, delegates received an interactive session which provided an overview of Fund and employer roles and responsibilities in line with the Pensions Administration Strategy, but also covered the following specific topics:
- Monthly submissions
 - Funding
 - Employer coaching
 - The new member Pensions Portal.

13.0 Solihull Area Committee of Parish and Town Councils (SAC)

- 13.1 As part of the Fund's drive to extend the coverage of its engagement to 'harder to reach groups' encapsulating as many different categories of employer as possible, the Fund presented at an evening meeting of the Solihull Area Committee of Parish and Town Councils on 19 October 2017.
- 13.2 The meeting was attended by around 15-20 Parish/Town Councillors and also a limited number of Parish/Town clerks.
- 13.3 The Fund officers presented on a number of topics in what was an interactive session, with areas of specific focus selected by the Councillors themselves. This included an update on developments within the Fund and the wider LGPS.
- 13.4 During the meeting, the Chairman presented to the Fund officers a letter on behalf of the Clerks primarily around issues surrounding the implementation of monthly data submissions. The Fund has drafted a formal response to the letter and has offered the relevant Clerks a bespoke employer coaching session to assist them with any issues they may have.

14.0 Individual ad-hoc employer engagement

- 14.1 As part of the continual engagement with participating employers, largely via the Fund's dedicated Employer Services team, there have been a number of instances of individual ad-hoc engagement with employers covering a wide range of topics. An example of this is the continued engagement with Further Education Colleges around the provision of

security in exchange for contribution flexibility, but also some significant employer outsourcing initiatives/programmes.

15.0 Financial implications

15.1 Dependent upon the outcome of the Fund's website review there could be financial implications for the Fund, both in terms of a potential change of contract terms and conditions or a change in provider.

16.0 Legal implications

16.1 The report contains no direct legal implications

17.0 Equalities implications

17.1 The report contains no direct equalities implications.

18.0 Environmental implications

18.1 The report contains no direct environmental implications.

19.0 Human resources implications

19.1 The report contains no direct human resources implications.

20.0 Corporate landlord implications

20.1 The report contains no direct corporate landlord implications.

21.0 Schedule of Appendices

21.1 Appendix A – Member Services – summary of presentation feedback

21.2 Appendix B – Customer Services statistics

21.3 Appendix C – Employer Annual General Meeting feedback

Appendix A: Member Services Team – Presentation Feedback April - December 2017



Members feedback on the following areas

99% of Members confirmed presenter could answer all queries

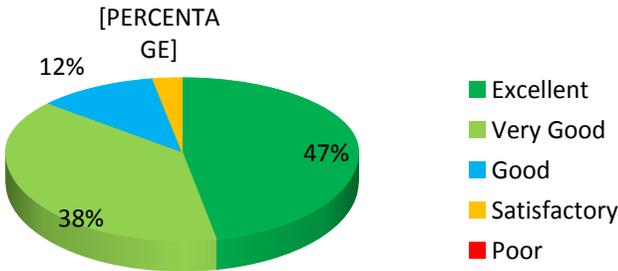
99% of Members confirmed that they would recommend the presentation to a colleague

528 – Members surveyed from April - December 2017

99% of Members were satisfied or more with the service provided by the Member Services Team

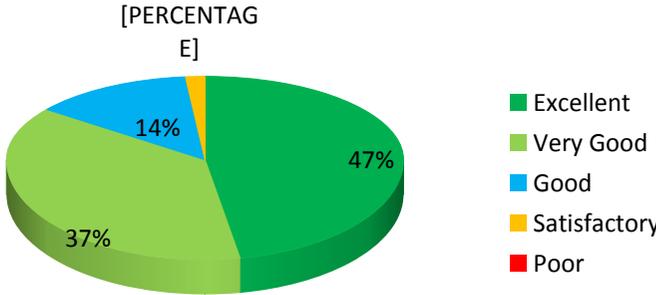
Page 109

Style of Presenter/Approach

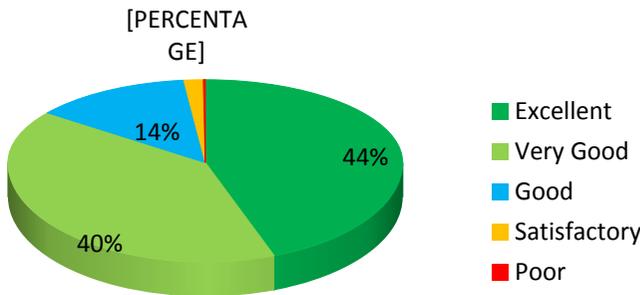


Style of Presenter/Approach

Clarity of Delivery

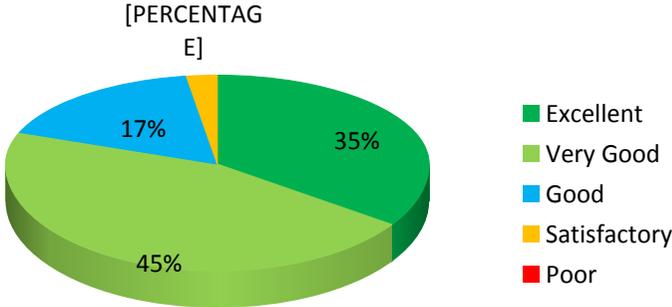


Structure & Pace

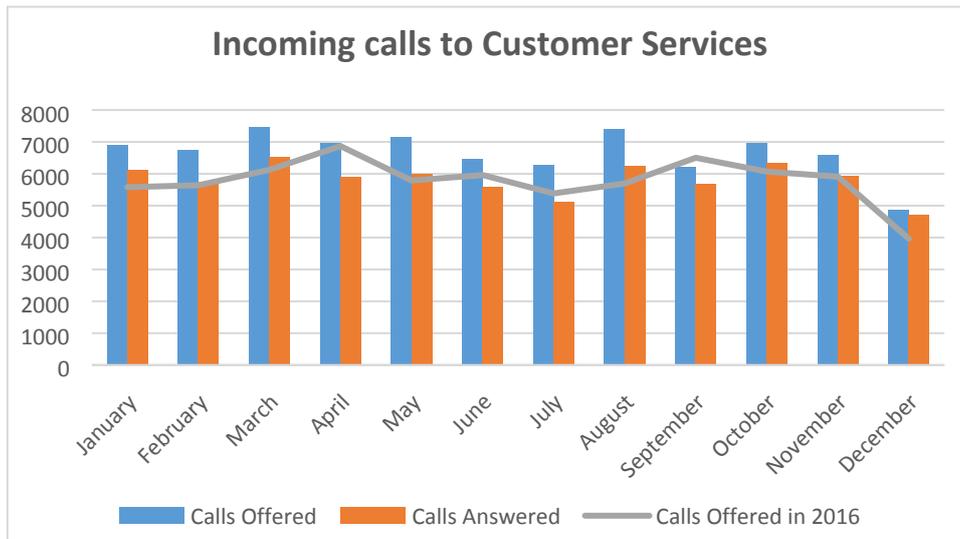


Structure and pace

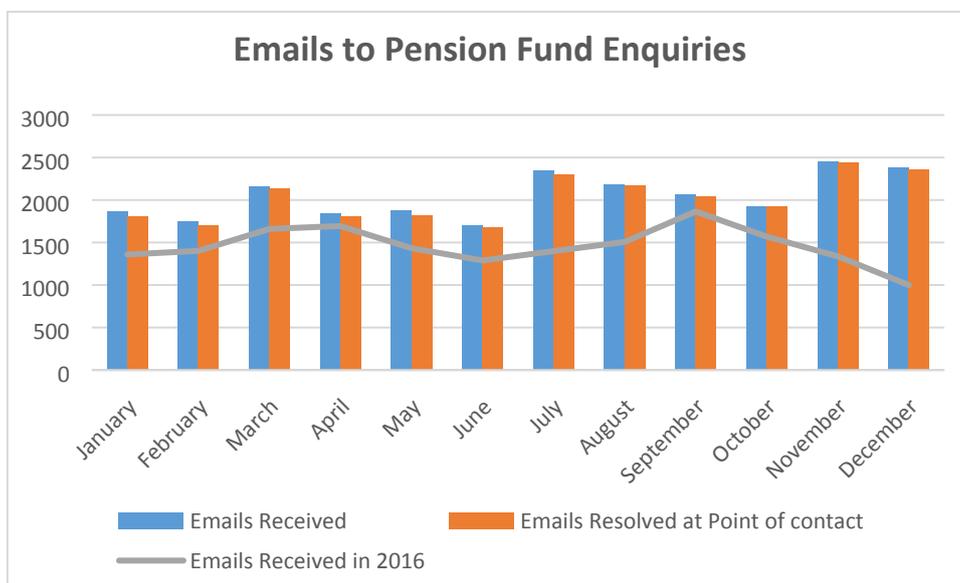
Presentation Slides/Relevance



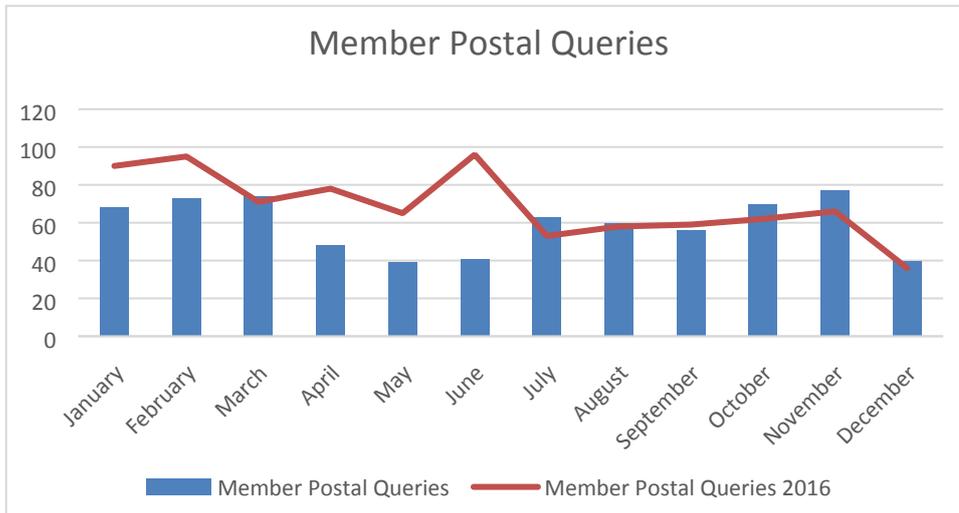
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	October	November	December
Calls Offered	6963	6572	4853
Calls Answered	6326	5927	4714
Calls Offered over same period in 2016	6069	5910	3961
Answer Rate (Target 85%)			

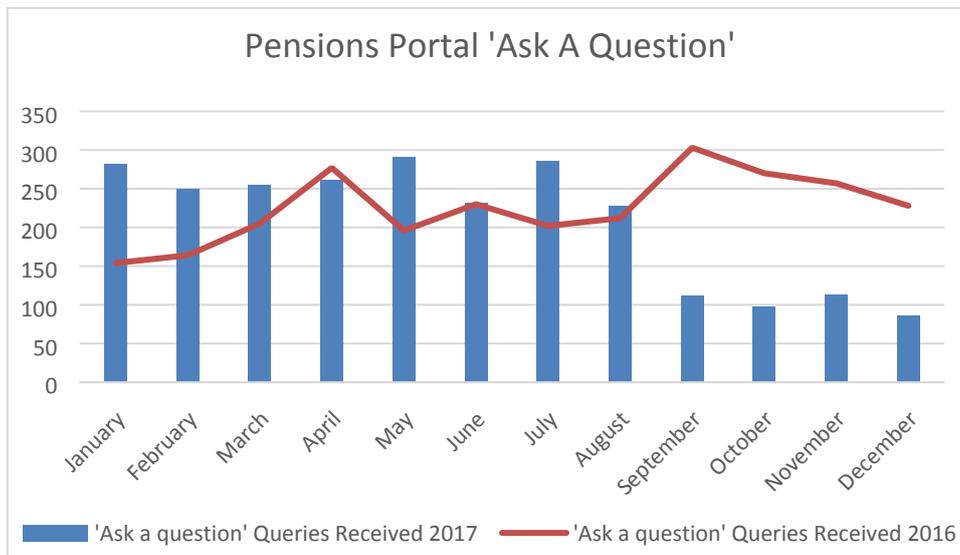


	October	November	December
Emails Received	1927	2450	2378
Emails Resolved at Point of contact	1919	2439	2363
Emails Received over same period in 2016	1570	1337	999
% of emails resolved at point of contact			



Member Postal Queries 2017 Member Postal Queries 2016

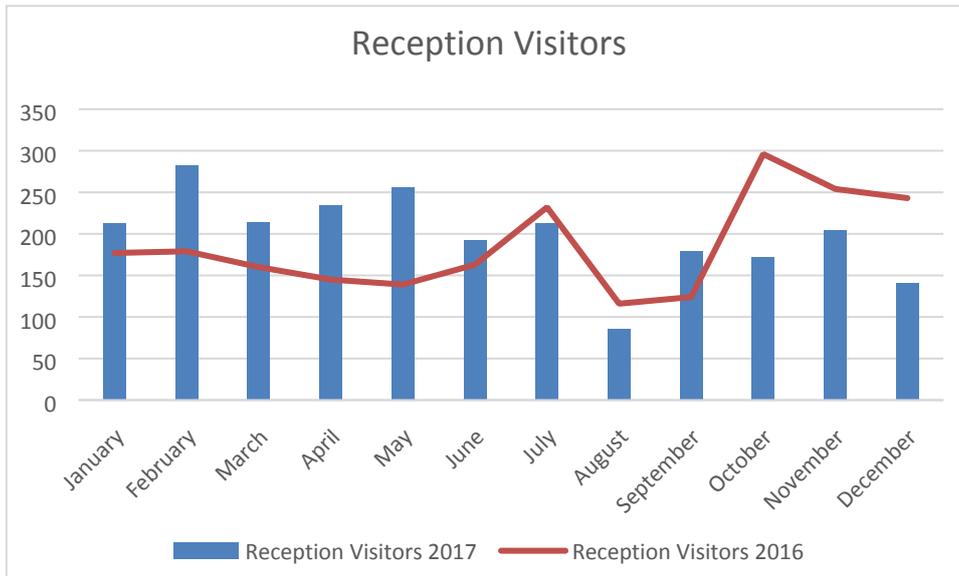
October	70	62
November	77	66
December	40	36



Member 'Ask a question' Queries Received 2017

Member 'Ask a question' Queries Received 2016

October	98	270
November	113	257
December	86	228



	October	November	December
Visitors to Reception 2017	172	204	141
Visitors to Reception 2016	296	254	243

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Appendix C: Employer AGM 2017 - feedback



AGM 2017 Event attendance



Attendance Summary

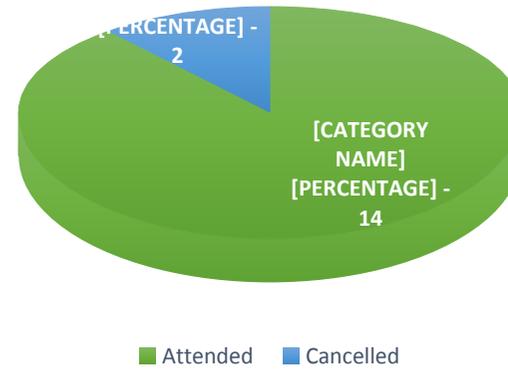
Attended – 54

Cancelled – 11

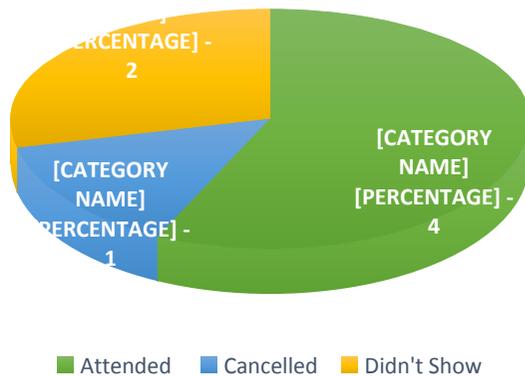
Didn't show – 15

Total = 80

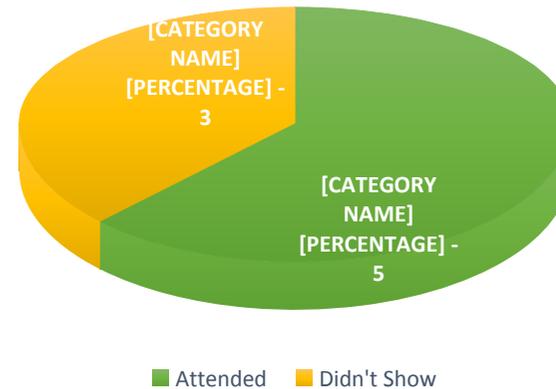
District/Scheduled Bodies



Colleges



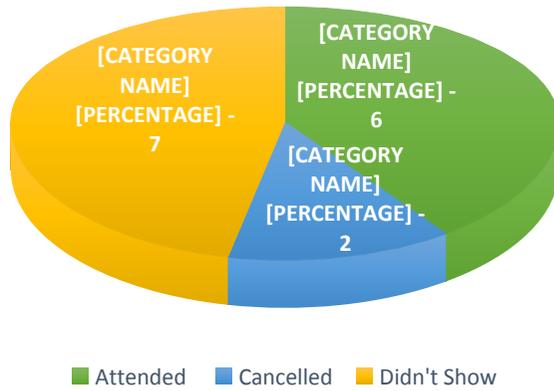
Universities



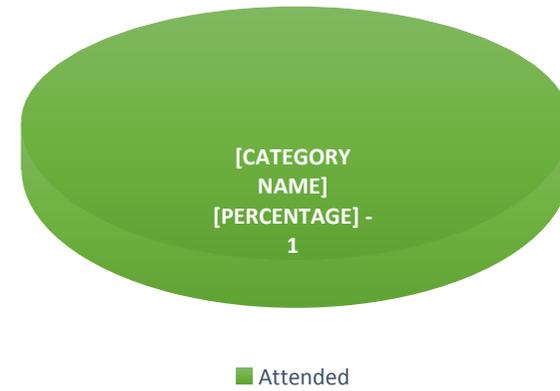
AGM 2017 Event attendance



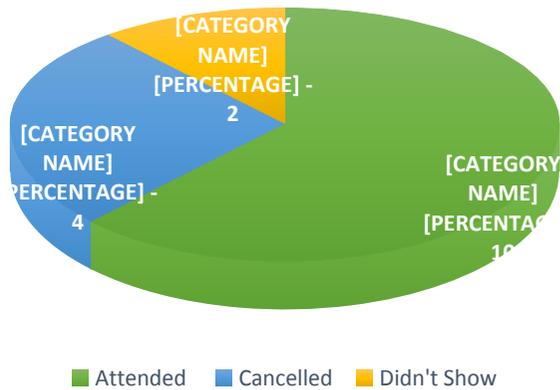
Academies/Schools



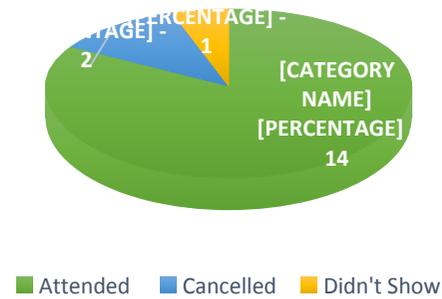
TABS



CABS



Pension Board, Committee and Union Members



Event Feedback Survey



1 How would you rate the employers' AGM?

	Poor	Satisfactory	Good	Excellent
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2 Please rate the following aspects of the event:

	Poor	Satisfactory	Good	Excellent
- Ease of registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Scheduling and timing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Organisation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Quality of information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Food and refreshments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Venue and location	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
- Parking and directions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3 Which agenda item(s) do you feel were most relevant to your organisation?

Please tick

- Fund Update	<input type="checkbox"/>
- Annual Report and Service Plan	<input type="checkbox"/>
- Employer Performance/Monthly Submissions/Data Quality	<input type="checkbox"/>
- Pensions Administration Service and Service Delivery	<input type="checkbox"/>
- Responsible Investments	<input type="checkbox"/>

4 The programme booklet with handout slides added value to the event.

Yes No

Please provide any additional comments on the programme booklet

<input type="text"/>
<input type="text"/>
<input type="text"/>
<input type="text"/>

Event Feedback Survey



5 Are there any topics you would have liked to have seen on the agenda?

6 What changes would improve your experience at this event?

7 Is there anything you would like us to consider when planning the next employers' AGM?

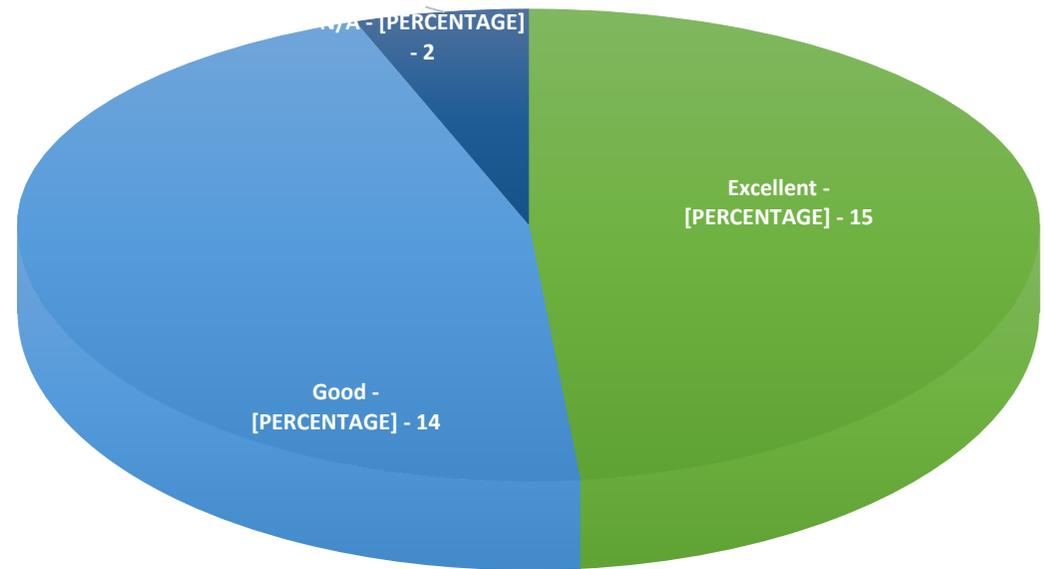
8 Please provide any additional comments you have about the 2017 employers' AGM.

1 How would you rate the employers' AGM?



Page 120

Rating	Attendees
Excellent	15
Good	14
Satisfactory	0
Poor	0
N/A	2
Total	31

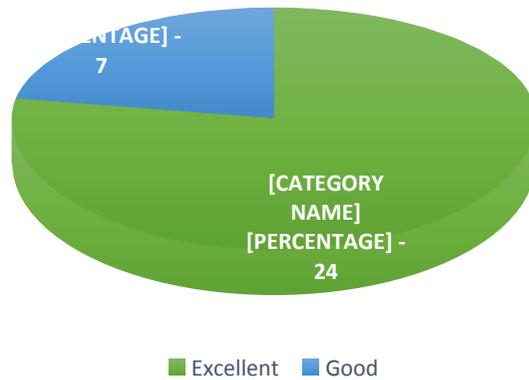


■ Excellent ■ Good ■ N/A

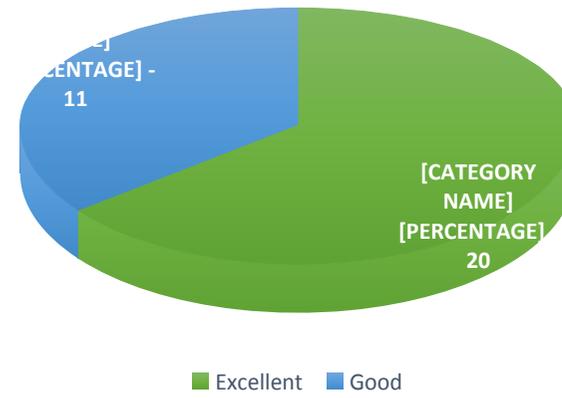
2 Please rate the following aspects of the event?



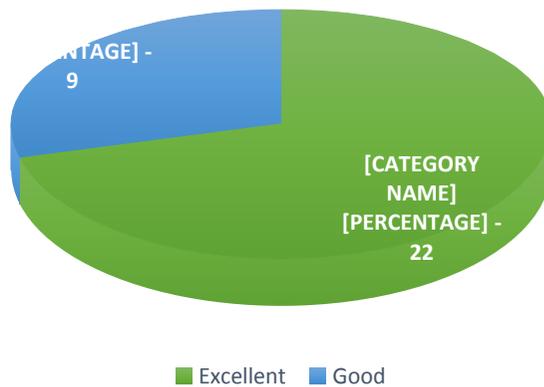
Ease of registration



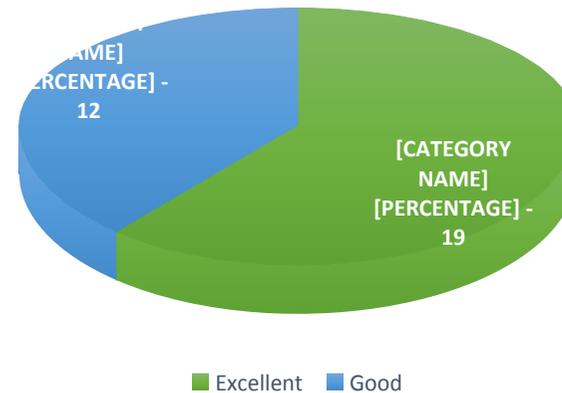
Scheduling and Timing



Organisation



Quality of Information

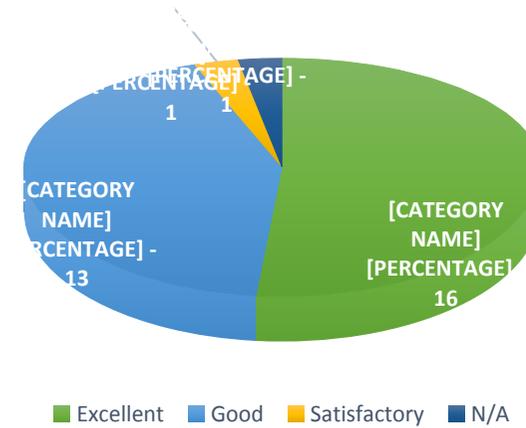


2 Please rate the following aspects of the event?

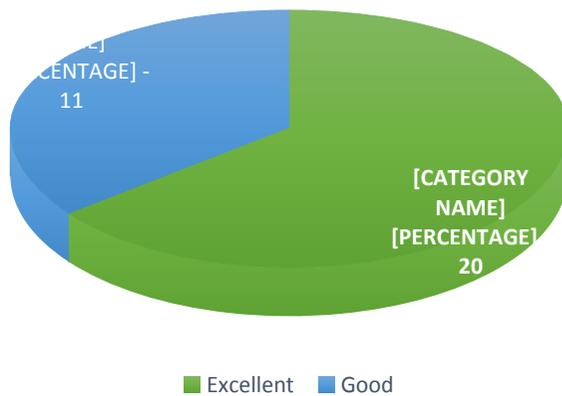


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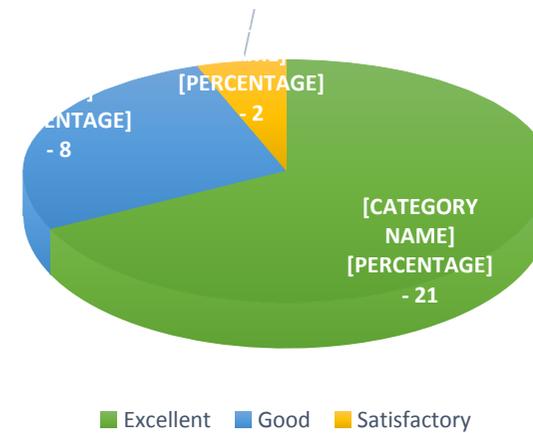
Food and Refreshments



Venue and Location



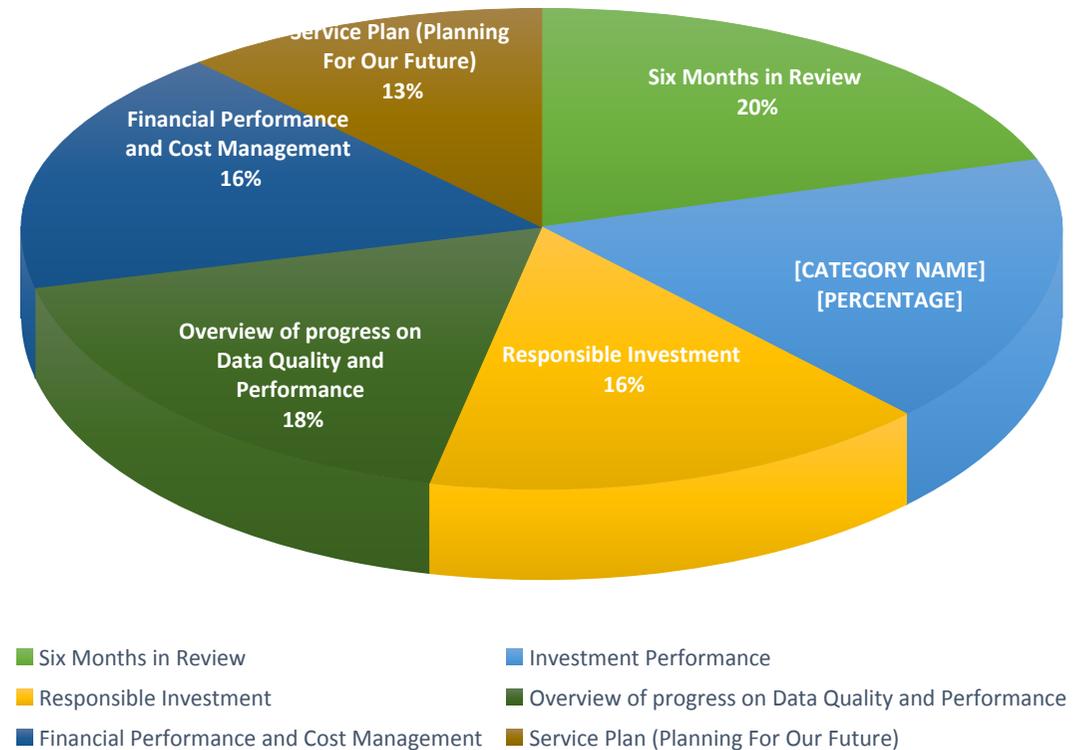
Parking and Directions





3 Which agenda item(s) do you feel were most relevant to your organisation?

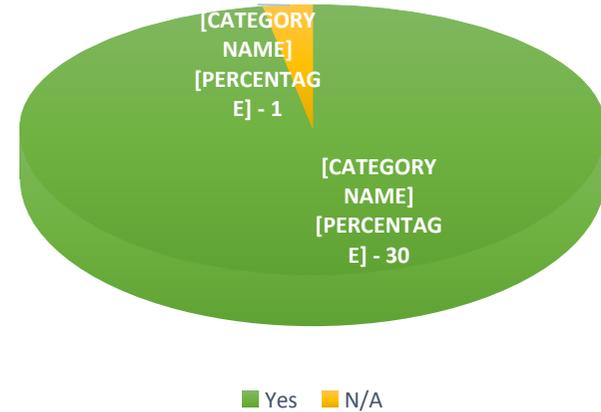
Agenda Item	Number of votes
Six Months in Review	21
Investment Performance	17
Responsible Investment	16
Overview of progress on Data Quality and Performance	18
Financial Performance and Cost Management	16
Service Plan (Planning For Our Future)	13





4 The programme booklet with handout slides added value to the event?

Yes	No	N/A
30	0	1



5 Summary of comments



Clear and informative information

Room layout to be altered so all seats face the front screen where possible

Would like more on investment pooling

More on the actuarial viewpoint and an overview of how employer contributions are set

More information on RI/ESG

Enjoyed data “quiz” – stimulates thought

Molineux much better venue than Grand Station

Would like the option of a specific Pensions Manager meeting potentially before or after the meeting and at least annually

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Pensions Board

23 January 2018

Report title	Data Quality Quarterly Report	
Originating service	Pensions	
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

Recommendations for noting:

The Board is asked to note:

1. The action taken by the Fund in line with the Pension Administration Strategy following review of the 2017 annual return and performance against set standards.
2. The progress of monthly submissions and the impact on data quality this has had for the Fund
3. The next steps for engagement and continued improvement

1.0 Purpose

- 1.1 To provide an update to the Board on the work of the Fund in the area of data quality and to provide assurance for the action the Fund is talking with employers to improve data.

2.0 Background

- 2.1 Recently the Fund launched its program of monthly submission having considered the data errors the Fund deals with at the end of each year in the annual returns process, the greater scrutiny from the TPR in relation to data quality and with the changes coming in to Data Protection, the Fund wants to ensure it is in the best possible position to ensure our compliance but also to provide assurance to members that their data is well managed and protected.
- 2.2 Monthly submissions require employers to submit their employee data on a monthly basis to the Fund. The aim is to ensure the accuracy of data held by the fund throughout the year identifying and addressing any issues early on, thereby improving both the member and the employer experience.
- 2.3 To assist with this process the Fund offered employers the opportunity to start their monthly submissions from April 2017 with a view for all employers going live by September, with a deadline for producing their first monthly file of 19 October.

3.0 Monthly Returns Performance and Outcomes

- 3.1 By December 2017, 555 employers had started to submit their monthly data. We are in the process of engaging with the remaining employers in respect of their outstanding submissions and offering support to them in this process, the outstanding employers represent less than 10% of the Fund's active membership. An analysis of the outstanding files, shows a trend that certain payroll providers have not submitted data files on behalf of their clients and we have targeted these providers as a priority.
- 3.2 The average error rate of the data files, received so far, is 15%. The errors are analysed by the data team and resolved, where possible. The fund then feeds information back to the employers which once applied to their payroll system will result in a decrease in errors for future monthly submissions. The feedback also includes requests for joiner and leaver information, identified as outstanding. This will be monitored with a view to reducing errors and increasing efficiency by reducing the latency in notifications to the Fund.
- 3.3 In requesting monthly data submissions from employers, the fund benefits from receiving member updates and financial data in a timely fashion. For instance, new employee joiner data is automatically extracted from the employers' payroll systems each month and name and marital status changes are also applied immediately. Through this process the Fund is aiming to ensure timely receipt of outstanding data from employers and member data in sync between the pensions administration system, UPM and the employers' payroll systems. We have received positive (informal) feedback to date on the

employer benefit from engaging in the monthly submission process, which amalgamates four existing processes into one, providing them with a monthly financial summary, a reconciliation derived from the monthly member financial data and the ability to submit bulk changes where previously an individual member update would have been required.

- 3.4 To date a number of meetings have been held with individual employers with tailor made reports being produced to highlight specific issues. This engagement will continue through the initial stages of the monthly returns program and the Fund will closely monitor the progress of employers in this area. The timely updating of member's records and resolution of queries during the year will improve the standard of data available in the processing of leaver and retirement benefits
- 3.5 The monthly submission program aims to reduce the number of cases where benefit statements cannot be issued, and enable greater member self-service through the portal ensuring members benefit from timely and accurate benefit statements to assist in retirement planning. The Fund is aiming to be in a position to issue most active member benefit statements ahead of the statutory deadline in 2018 and further detail will be provided in future reports.

4.0 Annual Returns

- 4.1 Employers are required every year to produce an Annual Return file which allows the Fund to reconcile its member data before producing Annual Benefit Statements in August.
- 4.2 In compliance with the fund's Pension Administration Strategy (PAS) the Fund is able to charge employers for late submissions and poor-quality data. The Data Quality threshold is set at a permissible 5% error rate of their total Active Membership with a daily rate applied to late submissions. Although there was a significant improvement in the timeliness of receipt of annual returns, the quality fell short of the 5% threshold in a number of cases.

Having considered the fairest application of charges, the Fund has set a standing charge of £250 (pro rata depending on employer size). This has resulted in Data Quality Charges being issued for the 2016/17 Annual Returns period range from £21 to £18,000. Overall 261 employers will be written to with regards their performance relative to the Pension Administration Strategy for the 2016/17 financial year. The Fund has determined that charges of less than £20 will not be issued. The charging structure will be reviewed each year as we begin to see the impact of monthly returns.

4.3 As noted in the Customer Engagement Report, the Fund is developing Employer Performance Dashboards to provide transparency and a cumulative view with regard to business as usual processes and data we hold in three key areas:

- Early Leavers (Deferments)
- Retirements
- Outstanding data items relating to the Annual Returns process (rolling into the Monthly Returns Process as of October 2017).

This is intended to highlight at an early stage potential risks in discrepancies between the Fund and employer membership records, focusing particularly on late notifications. An example dashboard (with dummy information) is attached at Appendix One.

Attached at Appendix Two is an overview of employer performance for Data Quality showing accuracy and timeliness of the information submitted.

5.0 Action by the Fund

- 5.1 Work has continued with the Data Managers and the Employer Relationship Team to improve data quality with our employers through ongoing engagement and support with the provision of employer dashboards. The Fund is developing a program of engagement to launch the new dashboards as well as changes to employer processes in April 2018.
- 5.2 The Pension Administration Strategy will continue to be reviewed as a live document, continuing to build on the current framework for policy and performance standards with a full review of the recharge structure for monthly returns, late submissions and data quality standards ensuring the additional costs of managing poor data are recovered to encourage performance improvement.
- 5.3 Moving forward the Fund is exploring ways to continue to improve data efficiency with further developments in digital data exchanges with our members and employers. These will include a review of the Fund website, further development with electronic forms and bulk data. As noted in the Regulatory Update report, the Fund has undertaken a digitisation exercise with its microfiche records and will shortly commence a program of Deferred Member Tracing to ensure our records are accurate and up to date at the point of retirement. The Deferred Member Tracing will start a 3 year rolling program to trace Deferred Members due for retirement in the forthcoming 3 years with the aim of encouraging registration to the Fund's Pensions Portal and self-service platform.
- 5.4 Looking forward the Fund is in the process of reviewing its Customer Engagement Program for 2018 and employer engagement will be a key piece of this work as we continue to deliver employer coaching to support employers in using administration processes
- 5.5 Through this engagement with employers, the move to monthly submissions and the development of the Data Team, the Fund now has a clearer understanding of its Data Quality and is able to identify key areas for improvement focussing the team on specific

projects where identified issues exist. In conjunction with the Benefit Operations and Payroll Managers the Fund's Data Team have commenced development of a Data Improvement plan led by a Data Improvement project group responsible for driving the Data Improvement Plans across the whole Fund, meeting the objectives and statutory requirements of the Pensions Regulator. Attached at Appendix Three is the Fund's Data Improvement Plan Policy created in line with guidance issued by the Regulator.

6.0 Financial implications

6.1 The late receipt of membership data and/or data errors can increase the administration cost of the Fund and risks penalty charges if as a result the Fund is unable to meet its obligations to members. The Fund monitors employer performance to identify issues early and escalates to appropriate senior officers within those employers where action needs to be taken. The Fund has the ability to recover costs from employers where additional work is required and will be recharging for additional costs incurred for additional work required for the resolution of large volumes of outstanding data and is managing this on a case by case basis.

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 and may incur severe penalties from the ICO with the implementation of the General Data Protection Regulations.

7.2 The Fund is able to recharge employers (to cover any costs incurred) through its adopted pension administration strategy.

8.0 Equalities implications

8.1 There are no implications

9.0 Environmental implications

9.1 There are no implications

10.0 Human resources implications

10.1 There are no implications

11.0 Corporate landlord implications

11.1 There are no implications

12.0 Schedule of background papers

12.1 Pension Administration Strategy

<http://www.wmpfonline.com/CHttpHandler.ashx?id=12350&p=0>

13.0 Appendices

13.1 Appendix One

Example Employer Dashboard

13.2 Appendix Two

Overall employer performance for 2017 Annual Return

13.3 Appendix Three

Data Improvement Plan Policy

Example Employer Performance Dashboard

Monthly Submission Timeliness	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Running Average
date of submission	20/05/2017	08/06/2017	11/07/2017	22/08/2017	08/10/2017	19/10/2017	19/11/2017	19/12/2017	19/01/2018	19/02/2018	24/03/2018	16/04/2018	
Days late	1	0	0	3	19	0	0	0	0	0	5	0	2
PAS rate (100%)	99.00	100.00	100.00	97.00	81.00	100.00	100.00	100.00	100.00	100.00	95.00	100.00	97.67

Large Employer average
0.50
100.00

Monthly Submission Reconciliation	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Running Average
Pass	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
Fail	2120	1999	1355	1800	1755	2509	2409	1532	1194	206	198	18	1425
Active Member count	3222	3414	2677	3598	3654	3620	3627	3010	2817	1913	1576	1218	2862
PAS rate (95%)	34%	41%	49%	50%	52%	31%	34%	49%	58%	89%	87%	99%	56%

Large Employer average
1673
31
1704
98%

Monthly Submission Data Accuracy	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Running Average
Employer Error	401	478	308	607	679	179	340	79	201	93	54	33	288
Fund Error	7	5	2	1	2	8	9	3	4	7	10	11	1
Monthly Active Member	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
PAS rate (5%)	36%	34%	23%	34%	36%	16%	28%	5%	12%	5%	4%	3%	20%

Large Employer average
35
3
1704
9%

Monthly Submission Response	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Running Average
date of response issue	30/05/2017	13/06/2017	27/07/2017	29/08/2017	17/10/2017	19/10/2017	19/11/2017	19/12/2017	19/01/2018	19/02/2018	24/03/2018	16/04/2018	
Fund analysis within 10 working days	0	0	0	0	0	0	0	0	0	0	0	0	0
Response back to Fund within 10 working days	20/07/2017	01/09/2017	27/08/2017	30/10/2017	17/11/2017	20/12/2017	Not received	0					
Days late	27	70	22	22	0	0	0	0	0	0	5	0	12
PAS rate (100%)	73.00	30.00	78.00	78.00	100.00	100.00	100.00	100.00	100.00	100.00	95.00	100.00	88

Large Employer average
0
0
0
1
99

Response Data Accuracy	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Running Average
Employer Error	20	70	120	500	679	179	322	300	201	90	50	2	211
Monthly Active Member	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
PAS rate (5%)	2%	5%	9%	28%	36%	16%	26%	20%	12%	5%	4%	0%	14%

Large Employer average
241
1704
14%

These dashboard highlight areas of focus for the Fund's Data Improvement Plan based on the analysis of the monthly submissions from employers. The dashboard will be presented to employers on a monthly basis to update them on the accuracy of their monthly data files and shows the annualised performance providing employers with the opportunity to assess and improve their performance over the 12 months to year end.

Example Employer Performance Dashboard

WEB S4 Early leavers	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Within Timescale	15	2	35	6	78	54	567	734	1	2	3	4	125
Outside of timescale	1	0	2	3	19	0	0	0	0	0	5	0	3
PAS rate (100%)	99.00	100.00	98.00	97.00	81.00	100.00	100.00	100.00	100.00	100.00	95.00	100.00	97.50

Large Employer average
146
2
99.00

WEB S4 Retirements	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Within Timescale	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
Outside of timescale	2120	1999	1355	1800	1755	2509	2409	1532	1194	206	198	18	1425
PAS rate (5%)	0%	41%	49%	50%	52%	31%	34%	49%	58%	89%	87%	99%	53%

Large Employer average
1470
200
14%

Monthly Joiners	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Within Timescale	401	478	308	607	679	179	340	79	201	93	54	33	288
Outside of timescale	7	5	2	1	2	8	9	3	4	7	10	11	1
PAS rate (5%)	36%	34%	23%	34%	36%	16%	28%	5%	12%	5%	4%	3%	20%

Large Employer average
260
1
0%

Example Employer Performance Dashboard

Historic Annual Returns	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Pass	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
Fail	2120	1999	1355	1800	1755	2509	2409	1532	1194	206	198	18	1425
Active Member count	3222	3414	2677	3598	3654	3620	3627	3010	2817	1913	1576	1218	2862
PAS rate (95%)	★ 34%	★ 41%	★ 49%	★ 50%	★ 52%	★ 31%	★ 34%	★ 49%	★ 58%	★ 89%	★ 87%	★ 99%	★ 56%

Large Employer average	1673
	31
	1704
★	98%

Contribution Queries	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Employer Error	401	478	308	607	679	179	340	79	201	93	54	33	288
Fund Error	7	5	2	1	2	8	9	3	4	7	10	11	1
Monthly Active Member	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
PAS rate (5%)	★ 36%	★ 34%	★ 23%	★ 34%	★ 36%	★ 16%	★ 28%	★ 5%	★ 12%	★ 5%	★ 4%	★ 3%	★ 20%

Large Employer average	1673
	31
	1704
★	98%

Missing Casual hours pre 14	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Pass	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
Fail	2120	1999	1355	1800	1755	2509	2409	1532	1194	206	198	18	1425
Active Member count	3222	3414	2677	3598	3654	3620	3627	3010	2817	1913	1576	1218	2862
PAS rate (95%)	★ 34%	★ 41%	★ 49%	★ 50%	★ 52%	★ 31%	★ 34%	★ 49%	★ 58%	★ 89%	★ 87%	★ 99%	★ 56%

Large Employer average	1673
	31
	1704
★	98%

Missing Casual hours post 14	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Employer Error	401	478	308	607	679	179	340	79	201	93	54	33	288
Fund Error	7	5	2	1	2	8	9	3	4	7	10	11	1
Monthly Active Member	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
PAS rate (5%)	★ 36%	★ 34%	★ 23%	★ 34%	★ 36%	★ 16%	★ 28%	★ 5%	★ 12%	★ 5%	★ 4%	★ 3%	★ 20%

Large Employer average	1673
	31
	1704
★	98%

Possible Leavers	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Pass	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
Fail	2120	1999	1355	1800	1755	2509	2409	1532	1194	206	198	18	1425
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PAS rate (95%)	★ 34%	★ 41%	★ 49%	★ 50%	★ 52%	★ 31%	★ 34%	★ 49%	★ 58%	★ 89%	★ 87%	★ 99%	★ 56%

Large Employer average	1673
	31
	1704
★	98%

No Address Held	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Yearly Average
Employer Error	401	478	308	607	679	179	340	79	201	93	54	33	288
Fund Error	7	5	2	1	2	8	9	3	4	7	10	11	1
Monthly Active Member	1102	1415	1322	1798	1899	1111	1218	1478	1623	1707	1378	1200	1438
PAS rate (5%)	★ 36%	★ 34%	★ 23%	★ 34%	★ 36%	★ 16%	★ 28%	★ 5%	★ 12%	★ 5%	★ 4%	★ 3%	★ 20%

Large Employer average	1673
	31
	1704
★	98%

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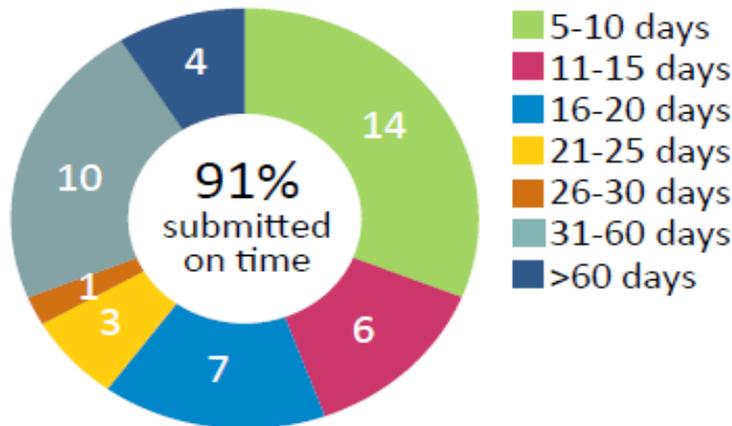
Employer Performance – Annual Returns 2016/17



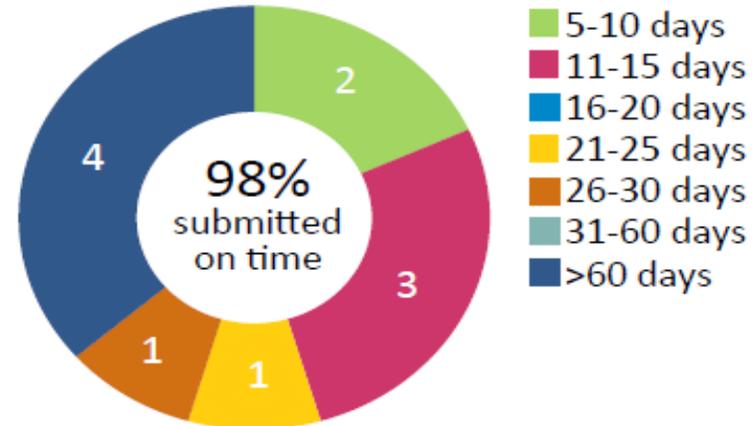
Timeliness

2.1 Provide year-end information specified by the Fund	By 30 April (following the year-end)
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Annual Returns Lateness 2016/17



Financial Statement Lateness 2016/17



Charges passed on to 51 employers for lateness, in line with the Pensions Administration Strategy

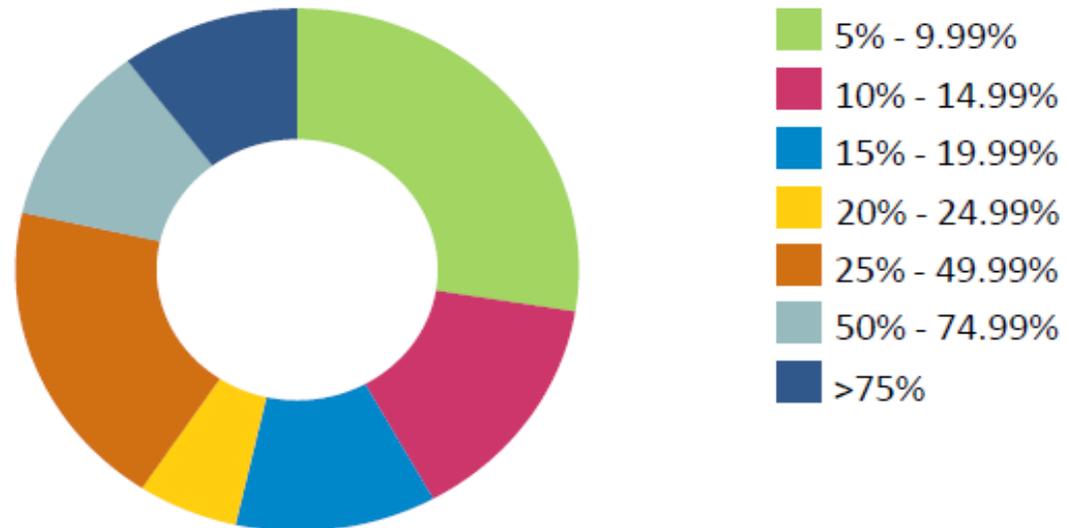
Employer Performance – Annual Returns 2016/17



Accuracy

Quality of the year-end information	Acceptable tolerance of 5% for percentage of errors
-------------------------------------	---

Annual Returns – Percentage Errors Above 5% Threshold



Charges to be passed onto 272 employers – based on officer time-cost to correct errors

Late and/or poor quality returns generate additional work and administration costs

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DATA IMPROVEMENT POLICY

2018

1. Introduction

The West Midlands Pension Fund is one of the largest Local Government Pension Schemes in the UK and manages the pension records of over 300,000 members. The Fund is not a legal entity in its own right, it sits as a function of the City of Wolverhampton Council who hold the capacity of Administering Authority.

The Council, and therefore the Fund, are bound by the obligations set out in the Public Service Pensions Act 2013 and associated legislation, including statutory guidance issued by the Scheme Advisory Board and Pensions Regulator.

In compliance with those obligations, the Fund is required to keep accurate records of member data that is necessary for the performance of its functions as a Local Government Pension Scheme provider.

2. Purpose

The purpose of this plan is to define the Fund's responsibilities in relation to record keeping and data quality, providing assurance to our members that their data is managed in compliance with the statutory obligations placed upon the Fund.

The plan identifies areas for improvement in the Fund's record keeping based on complex analysis of the information the Fund holds and receives from its employers about its members.

3. Scope

It applies to all employees, officers, Trustees, Pension Board Members, contractors and partner agencies (including employers) who have a responsibility under the legislation to maintain accurate member records.

It applies to all common and conditional data required by the Fund to administer pension benefits covering all types of member (active, deferred, pensioner (including beneficiary)) across all membership records and aims to improve both current and historical data errors.

4. The Legal Basis

Trustees and Scheme Managers should review their data at least once a year and if there are any issues, put an improvement plan in place to address them. The improvement plan should clearly set out the steps to be taken to improve the data held.

Failure to maintain accurate records can put the Fund and its officers at risk of failing to meet their legal obligations which could result in the Regulator taking enforcement action to remedy and rectify inaccurate data.

There is therefore both a legal and reputational risk to holding inaccurate data.

5. Plan Objectives

In developing the Data Improvement Plan the following objectives must be borne in mind

- To improve members' experiences of the Fund providing accurate information at the right time to enable them to make informed decisions about their retirement income.
- To improve efficiency in the Fund's processes, including paying benefits, keeping costs manageable and meeting KPIs
- To increase automation in member processes and encourage self-service.
- To maintain employer relationships in the assessment of liabilities and the appropriateness of their contributions and recovery plans.

6. Outcomes

In delivering the plan objectives the Fund will

- Improve member services, reduce complaints, increase self-service and reduce processing times
- Issue accurate and timely member communications
- Apply fewer assumptions in valuation data
- Improve benefit operation KPIs and reduce the likelihood of backlogs caused by poor data
- Reduce administration costs
- Improve the Fund's reporting on common and conditional data to the Regulator
- Issue 100% of Annual Benefit Statements

7. Data improvement plan (under development)

In determining the plan for improvement, the Fund has prioritised data which will have the greatest impact on member benefits as set out in the table below

Data Type (5)	Impact on member (10)	Impact on Fund (10)	Ease of access to correct data (5)	Technical solutions (5)	Quick Wins (5)	Priority Score (/40)
As set out in the TPR common and conditional report	Type of process/likelihood of detriment	Type of process/likelihood of detriment	Will it be rectified in monthly data submissions? Does it need a specific member or employer query?	Changes to UPM?	Data Team corrections?	

Improvement plan key

- Data Type – ranked 1 – 5 with 1 being the most detrimental data error
- Impact on Member – ranked 1- 5 on type of process and 1- 5 on likelihood of detriment (total out of 10)
- Impact on Fund – ranked 1-5 on type of process and 1-5 on likelihood of detriment (total out of 10)
- Ease of access to information ranked 1 – 5 with 1-2 being rectified in monthly submissions, 3 - 5 where a specific enquiry needs to be raised
- Technical solutions – ranked 1- 5 where 1-2 is a solution the Fund is able to action 3 – 5 where the solution is outside the control of the Fund
- Quick wins – ranked 1-5 depending on immediate or longer term

8. Breakdown of Activities

Current Activity

- Monthly Returns
The Fund has implemented a monthly submissions programme for employers requiring them to upload monthly data files on their employee membership of the Fund.
- Data analysis
On receiving monthly files, the Fund's Data Quality team analyse the information provided and match it to records held by the Fund, where records do not match, a query file is sent back to the employer to rectify the data
- At the point of process, a data query may need to be raised by the benefit operations team with either the employer or the member, the officer allocated the process will be responsible for raising this query.
- The process is then pended until the information is received therefore delaying the process for the member.

Improvement Activity

(Activity already identified which will lead to the improved understanding of where the issues are in the Fund's data quality)

- The Fund will run quarterly reports to identify the quality of its common and conditional data, this will be the responsibility of the Business Performance Manager.
- The Fund will produce employer dashboards on the quality of data received from employers in the monthly submissions, including error rate and active membership comparisons to be feedback to individual employers as a way of identifying and encouraging improvement. This will be the responsibility of the Data Managers and the Relationship Management Officer.
- The Fund will monitor the queries raised at the point of the process to determine common causes for pended actions. This will be the responsibility of the Benefit Operations and Payroll Managers.
- Analysis will be undertaken to determine the reasons for NILABS issuance to members and whether data and what data was the reason for the Fund's inability to produce a benefit statement to a member. This will be the responsibility of the Business Performance Manager.
- Bi-monthly meetings will be held of the Data Improvement Project Group to analyse the information produced and identify common themes of data quality across the Fund and prioritise areas of focus based on the priority score.

- The Fund will allocate a Data Cleansing and Projects Officer and Data Projects Assistants who will focus solely on the priority areas for data improvement, providing bi-monthly updates to the data improvement project group on the work undertaken.
- Monthly reports will be presented to the Fund's Senior Management Team on the progress of this work with quarterly updates reported to the Fund's Pension Committee and Local Pension Board.

9. Success Criteria

The Fund will determine its success in 2 ways

- The error rate coming out of monthly returns which should show a continued reduction over the course of 12 months to April 2019
- The ability of the Fund to produce Annual Benefit Statements and the reduction in the number of NILABS needing to be issued each year.

10. Ongoing Improvement

This plan is not intended to be a one-off exercise for improving the Fund's Data Quality and is intended to provide a continuous cycle of data analysis ensuring the Fund remains committed to ensuring complete data accuracy in the information it holds about its members.

The Current and Improvement activity will be reviewed and updated at each meeting of the Data Improvement Project Group to ensure they remain relevant to the work of the group.

11. Reporting and Escalation

This policy will be kept under review by the Data Managers on a monthly basis with oversight from the Head of Governance and Corporate Services.

Developments on the Data Improvement Plan will be reported monthly to the fund's Senior Management Team providing updates on the work undertaken.

Priority Actions under paragraph 7 will be reported to SMT on a quarterly basis as they are determined by the Data Improvement Project Group. Quarterly updates will be provided to the Pension Committee and Pension Board on this work.

Data Improvement Project Group

Position	Responsibility
Head of Governance	Plan Owner
Head of Client and Funding Management	Plan Oversight
Business Performance Manager	Owner of common and conditional data reports and group Lead
Regulatory Compliance Manager	Compliance
Relationship Management Officer	Member (individual responsibility set out in plan and at each meeting)
Data Manager	Member (individual responsibility set out in plan and at each meeting)
Data Manager	Member (individual responsibility set out in plan and at each meeting)
Benefit Operations and Payroll Manager	Member (individual responsibility set out in plan and at each meeting)
Benefit Operations and Payroll Manager	Member (individual responsibility set out in plan and at each meeting)
Customer Services Manager	Member (individual responsibility set out in plan and at each meeting)

Version Control

Date	Owner	Changes
28/12/17	RH	First created

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Pensions Board

23 January 2018

Report title	Investment Pooling Update	
Originating service	Pension Services	
Accountable employee(s)	Jill Davys Tel Email	Assistant Director, Investments & Finance 01902 55055 jill.davys@wolverhampton.gov.uk
Report to be/has been considered by	Rachel Brothwood Tel Email	Director of Pensions 01902 551715 Rachel.brothwood@wolverhampton.gov.uk

Recommendation for noting

The Board is asked to note:

1. The progress to date with the implementation of LGPS Central in response to Government legislation requiring LGPS Funds to pool investments.

1.0 Purpose and background

- 1.1 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 in the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 (Regulation 7), by establishing a jointly owned investment management company, known as 'LGPS Central Ltd' (LGPS Central). This report outlines the progress made with the implementation and set up of LGPS Central in line with the Government's overall timescale of 1 April 2018.
- 1.2 A number of workstreams have been established to facilitate implementation, covering governance, HR, IT, set up of the operator, asset servicer and collective investment vehicles. Collaboration between Partner Funds and the LGPS Central programme delivery team continue to drive these forward, targeting the proposed launch date of April 2018. Progress reports are shared and discussed with representatives of DCLG on a quarterly basis.
- 1.3 FCA authorisation of the operator (approved in January 2018) presents a key milestone for which LGPS Central needs to recruit to certain roles ("control functions") and demonstrate it has robust operations, particularly IT. As the subsequent application for sub-fund authorisation progresses, client servicing needs and requirements are also being addressed in more detail to ensure LGPS Central can deliver for Partner Funds.

2.0 Applications for FCA approval

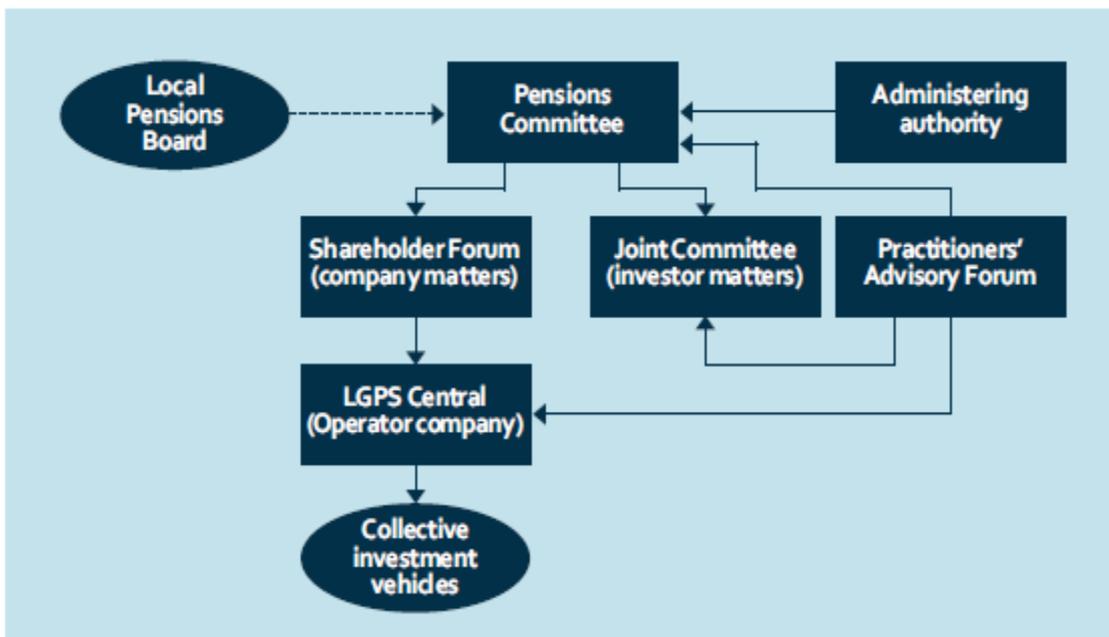
- 2.1 The programme team responded to FCA queries on the Operator application, (submitted July 2017) these included technical regulatory questions, updates on recruitment to the control functions and queries around the IT submission, in particular cyber security. The process was completed by the planned approval date of January 2018.
- 2.2 Alongside this, applications to the FCA for the approval of the Authorised Contractual Scheme (ACS) which was submitted to the FCA in December. The application includes the approval of the initial investment sub funds being transferred and launched by LGPS Central in April 2018.
- 2.3 Work to complete set-up of the operator continues at pace, focussed on the implementation of the company's key systems, which include Bloomberg, Northern Trust, SAGE (investment and finance systems) and the remaining procurement processes - the selection of internal auditor, legal services and tax advisor.
- 2.4 Penetration testing of the IT set-up (required by the FCA) was successfully completed in November. Work continues to complete the transition of services and development of the new office space, with refurbishment work advancing both in Mander House, Wolverhampton and with the Council offices in Matlock.

3.0 Governance

- 3.1 As LGPS Central representatives take on more of the programme delivery work, Partner Funds have started to focus more on the delivery requirements for Shareholder Forum (as the group of "owner" representatives) and the Joint Committee (focused on investment

matters and client-side). The Practitioners Advisory Forum, PAF (officer group) will support both groups and liaison with LGPS Central.

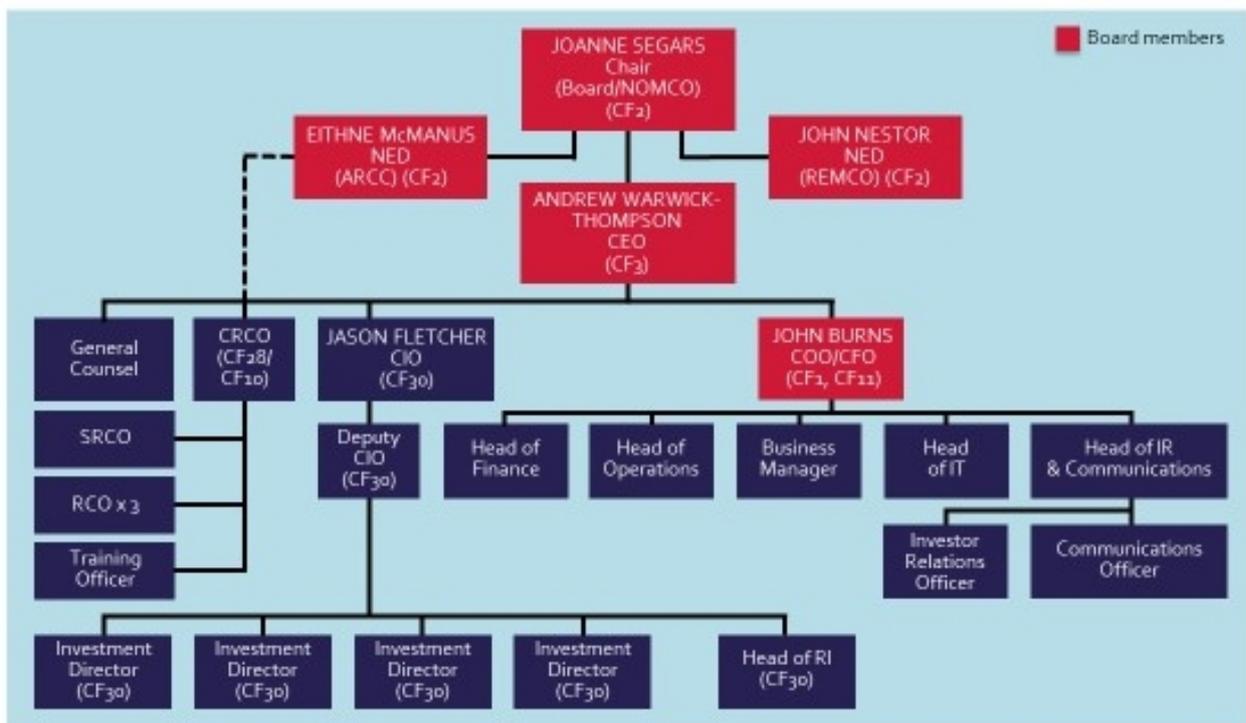
- 3.2 Roles and responsibilities are set out within the legal documentation at a high level and these, together with reporting requirements are being developed to ensure reporting and information flows are established. Meeting schedules and reporting lines will be confirmed as the new Fund governance arrangements are implemented early in the New Year. During the set-up period, the PAF is expected to meet monthly, the Director of Pensions and the Assistant Director, Investments & Finance will be permanent members of the PAF with other senior management participating in meetings as required, in particular the Head of Governance. The Chair of Pension Committee is the nominated representative for WMPF and WMITA on the Shareholders Forum and the Joint Committee. The Joint Committee is expected to form and establish arrangements in the first quarter of 2018.
- 3.3 LGPS Central's own governance arrangements include an Investment Committee, Executive Committee and oversight from the Non-Executives through the company board and sub committees (Remuneration and Audit and Compliance). The Company Board is currently meeting monthly.
- 3.4 The chart below sets out the broader governance structure for pooling as it applies to West Midlands Pension Fund and LGPS Central, with the Pensions Board having a role in ensuring compliance with regulations for pooling and delivery against the Fund's Investment Strategy Statement and wider core objectives:



- 3.5 Work is currently underway to develop and agree both a client service agreement and a service level agreement (to include reporting requirements) to ensure that there is clarity and transparency over the services being delivered by LGPS Central to partner funds.

4.0 Recruitment and HR

4.1 Recruitment continues to be a major focus of activity for LGPS Central. Following appointments of the Board, Chief Executive, Chief Investment Officer and Chief Operating and Finance Officer, appointments have been confirmed for both the Chief Risk and Compliance Officer and General Counsel, completing the Company Board and Executive. John Burns, Chief Operating and Financial Officer joined in September and Jason Fletcher, Chief Investment Officer, transferred from the West Midlands Pension Fund in October and work has continued to develop both the investment and operational and finance support teams. A key role in terms of obtaining FCA approval was the appointment of the Chief Risk & Compliance Officer who has now taken up his post along with the Head of ICT. Appointments to the Investment Director roles are expected to be complete by the end of January. The Head of Finance has been recruited from the West Midlands Pension Fund and will transition ahead of the launch in April. The chart below sets out a high-level overview of the structure for LGPSC, but may be subject to change as the company refines its business plan:



4.2 Employee briefings were held in October, for those whose roles are expected to transfer to LGPS Central, with consultation meetings having been held in December and January. Prior to the briefing, proposals were shared and discussed with Union representatives.

4.3 Work continues to develop and implement a number of HR policies. Following approval of its pensions policy, the Company has selected a DC pension provider to deliver pension benefits for those higher graded/paid employees who are not eligible to join the LGPS. Application for LGPS Central to become an employer with the West Midlands Pension Fund has been completed. A Supplementary Agreement has been developed to document entry to the Fund, the guarantee provided by Partner Funds to support LGPS Central pension liabilities and to confirm the basis for cost sharing.

5.0 Stakeholder away day

5.1 A Stakeholder Day was held on 21 September 2017 at Molineux, Wolverhampton for all Pension Committee and Board members from each of the Partner Funds. In total there were approximately 90 attendees. At this event, attendees heard from the LGPS Central Board, on their proposals for the company, the Investment Offering, the perspectives from Advisor on pooling and from DCLG. Feedback from the event was very positive and funds welcomed the engagement from LGPS Central.

6.0 Financial implications

6.1 Set up costs

The estimated cost of setting up the jointly owned company is circa £4 million; this will be shared equally between the Partner 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 initial business case includes an estimate of approximately £50 million for the pool. Transition costs will also be shared between the funds on a fair and equitable basis and will be incurred when assets are transitioned from 2018/19 onwards.

6.2 The following table shows total spend to date, and forecast to 31st March 2018.

	Actual to 31st December 2017 £000	Forecast to 31st March 2018 £000
Staff Costs	786	1,371
Professional Advisors	941	1,137
Other (inc. Premises, Technology, FCA fees)	451	1,558
Total	2178	4,066
West Midlands' Share (one eighth)	272	508

6.3 LGPS Central are in the process of preparing the operational budget for 2018/19. This will be presented for Shareholder approval in February 2018.

7.0 Communications

7.1 Briefing notes are produced and circulated to Committee and Board Members on a regular basis in order to keep members informed of the progress in setting up LGPS Central.

7.2 A website for LGPS Central is being developed and is expected to be launched in the New Year.

7.3 A stakeholder engagement event, attended by Committee and Local Pension Board members across Partner Funds, was held in September 2017 at the Molineux, and a further event is expected next year.

8.0 WMPF Transition to LGPS Central

8.1 The exact structure of all sub-funds which will be opened by LGPS Central is still under consideration, but working closely with Partner Funds, an outline of the key sub-funds has been agreed, with considerable detail agreed on the earlier sub-fund openings. The initial focus will be on liquid assets such as equities and bonds with more complex assets to follow at a later stage.

8.2 The current proposed schedule of sub-fund openings will see initial assets transition in April 2018 in the passive equity space. This will cover UK passive, Global passive and a Global Dividend growth fund. This will be followed by active global equities and emerging market equities. The sub-funds themselves will require FCA authorisation as part of the Authorised Contractual Scheme (ACS) vehicle; the authorisation process requires that the objectives, policy and strategy of the sub-fund be clearly set out. The objective refers to the investment objective (e.g. capital growth, income or a combination of the two); the investment policy covers how the sub-fund will go about achieving the objective(s) (e.g. whether it invests in equities, bonds, cash, etc, whether it can do stocklending and derivatives); and strategy which includes anything not already covered in objective or policy such as rebalancing.

8.3 As far as possible the proposed sub-funds agreed with Partner Funds closely replicate existing investment mandate profiles that Partner Funds already operate. In considering the transition of the WMPF's assets, officers have been working with the Fund's investment advisers (Hymans Robertson) to review the existing investments to assess how these might map across to the proposed sub-funds in Central Pool. It is recognised that not all of the detail around some of the later sub-funds has been finalised and that discussions remain ongoing with partner funds on the exact terms of some of these sub-funds to ensure that they meet the strategic requirements of WMPF and WMITA.

8.4 In advance of transition, the Fund will be seeking assurance over some key issues including the monitoring and oversight of the assets transitioned to the Pool. It will also need to ensure reporting arrangements, the appropriateness of the sub-funds in terms of how closely they meet the Fund's strategic investment goals as well as ensuring delivery of cost savings which includes monitoring closely the costs of transition of assets across to the Pool.

8.5 The Fund will commence transitioning assets across to LGPS Central in April 2018 at which point a service agreement will also be in place. It should be recognised that the sub-fund openings will take place over a period of 2-3 years and in some cases the Fund expects LGPS Central to facilitate discretionary management (delegated implementation of investment strategy with agreed parameters) for some of the assets where there won't be sub-funds available for some time. This is to reflect the fact that the bulk of the current investment team for WMPF will TUPE across to LGPS Central in April. The service agreement with LGPS Central is currently being developed to confirm and agree WMPF requirements.

8.6 The structure of sub-funds and benchmarks have been agreed by Partner Funds and appropriate reporting and oversight mechanisms of assets transferred will commence on transfer. The Practitioners Advisory Forum and WMPF officers supported by the Investment Advisory Panel will be working very closely with LGPS Central on future developments and investment offerings to ensure that LGPS Central (including KPI's for delivery) is able to meet the strategic requirements of WMPF.

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 Partner Funds (or their nominated representative) sat on the LGPS Central Programme Board and now sit on the Practitioners Advisory Forum, and regular meetings are held between the Chairs and/or Vice-Chairs/ Nominated representative of the respective Pension Fund Committees which forms the Shareholders Forum.

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 have been appointed to assist and advise on executive recruitment and remuneration.

9.5 The Joint Committee is expected to form and establish arrangements in the first quarter of 2018.

10.0 Equalities implications

10.1 There are no direct implications

11.0 Environmental implications

11.1 There are no direct implications

12.0 Human resources implications

12.1 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.

13.0 Corporate landlord implications

- 13.1 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.
- 13.2 The office in Wolverhampton will be based in Mander House, and the office in Matlock will be based in Derbyshire County Council Offices.

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>