

## West Midlands Pension Fund Corporate Priorities 2016 – 2021

## Progress Update September 2016

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

## Appendix B

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

**Appendix B**

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

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

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