

West Midlands Pension Fund Corporate Priorities 2016 – 2021

Progress Update December 2016

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
3, 4	Review and implement the funding strategy, in the context of the requirement to ensure solvency and employer affordability constraints to deliver actuarial valuation 2016	2016 – 2017	<ul style="list-style-type: none"> • Delivery in line with project plan • New contribution certificate implemented by April 2017 	<ul style="list-style-type: none"> • Consultation closed 31st January. • Concluding ongoing discussions with a number of employers. • Final results to be issued and certified by 31st March.
2, 4	Implement and monitor the investment strategy	2016 – 2021	<ul style="list-style-type: none"> • Investment returns • Funding level 	<ul style="list-style-type: none"> • 21% return on portfolio in calendar year 2016 and 3.3% return in the quarter ending December has improved the funding level. • Excess performance over benchmark was +1% for the financial year to date.

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1, 4	Reduce the cost of managing our investments	2016 – 2017	<ul style="list-style-type: none"> • Cost of investment management as a percentage of assets 	<ul style="list-style-type: none"> • Investment management costs (exc. transaction cost) as forecast at Q3 are estimated to be 50 bps, compared to 58 bps for 2015/16. • Continuing to review externally-managed investments for value-for-money. • Working with industry and FCA to reduce investment costs and achieve full cost transparency.
1, 4	Demonstrate cost efficiency in our dealings with members and employers, including exploring opportunities to generate revenue to reduce net administration costs	2016 – 2021	<ul style="list-style-type: none"> • Cost-per-member • Contributions received percentage • Days taken to prepare quarterly accounts 	<ul style="list-style-type: none"> • Income received from LAPFF for services of Fund’s Graphic Designer. • Cost per member as forecast at Q3 stands at £20.31, below the target of £22.00. • Printer procurement being undertaken to secure cost efficiencies in the Fund’s hard copy mailings.

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4	Develop the existing covenant monitoring framework to support risk monitoring and enable early engagement on affordability issues and employer exit costs	2016 – 2018	<ul style="list-style-type: none"> • Covenant risk reporting • Trigger-based engagement 	<ul style="list-style-type: none"> • Covenant framework reviewed and updated with additional information. • Metrics collated to inform on-going monitoring and valuation process. • Preliminary employer covenant risk band allocation has been issued with preliminary valuation reports. • Responding to feedback from employers on risk ratings and incorporating/reflecting additional information where provided. • Number of open discussions on covenant risk mitigation measures. • Updated employer covenant monitoring policy guide updated and to be finalised/published shortly.

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3	Provide the highest standards of customer care to our employers and members	2016 – 2021	<ul style="list-style-type: none"> • Customer satisfaction survey • Employer and Member Services calls • Availability of online services • IDRPs and complaints monitoring 	<ul style="list-style-type: none"> • Employer survey circulated, results being compiled. • Customer engagement strategy presented to AGM and is in use with various service areas taking responsibility. 6 weekly update meetings being held to review communication and website. • Customer service KPI's presented to pension board for monitoring shows high performance and targets met. • New process for IDRPs monitoring by compliance. • Availability of online services up in the KPIs.

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3	Develop customer engagement with both members and employers	2016 – 2019	<ul style="list-style-type: none"> • Customer satisfaction survey 	<ul style="list-style-type: none"> • Customer engagement strategy implemented six-weekly update meetings being held to review communication and website. • Customer service KPI's presented to pension board for monitoring shows high performance and targets met. • Review of pensioner engagement being undertaken due to closure of club together. Customer journey mapping session on new newsletter due to be held next quarter.

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1,3	Demonstrate achievement of the highest standards in everything that we do through external audit, accreditation and awards	2016 – 2021	<ul style="list-style-type: none"> • Reaccreditation and shortlisting for awards • Clean audit report 	<ul style="list-style-type: none"> • Shortlisted for every award entered for the year to date. • Won two awards in the last quarter. • IIP reaccreditation completed on 9 February, retained accreditation and achieved gold standard (subject to independent review at time of writing). • Clean audit report achieved for year ending March 2016.
1,3	Ensure that our staff, trustees and board members have access to high quality training to ensure that they have the right skills and knowledge, and are highly motivated	2016 – 2021	<ul style="list-style-type: none"> • Training hours • Qualifications • Staff sickness • Staff turnover • Trustee attendance 	<ul style="list-style-type: none"> • Workforce development strategy drafted. • Trustee training hours monitoring quarterly on course to meet yearly target. • Internal movements of staff show development working well. • All spaces on trustee conferences booked.

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1,4	Review and develop people and processes to ensure operational flexibility and efficient, high quality service delivery	2016 – 2021	<ul style="list-style-type: none"> • Skills matrix • Fund-wide briefings • Delivery of the process review plan 	<ul style="list-style-type: none"> • Workforce development strategy. • Staff briefings held. • Review of staff appraisal, visiting external organisations. • Aligned job descriptions to make workforce flexible.
1,3	Continue to develop the Fund’s electronic business model to improve data quality and ensure continued cost efficiencies	2016 – 2019	<ul style="list-style-type: none"> • Web portal registration numbers • Delivery of more frequent bulk data exchange (eg, monthly return) 	<ul style="list-style-type: none"> • Working with City of Wolverhampton’s Communications team for the Mail marketing system to improve electronic communications and gain better data. • Web portal marketing strategy being drafted to promote once upgrade is in.

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