

## West Midlands Pension Fund Corporate Priorities 2017 – 2022

## Progress Update June 2018

Core Objectives	What Will We Do?	When Will We Do It?	How Will We Measure Our Success?	Progress Update
3, 4	Ensure that the outcomes of the 2016 actuarial valuation are implemented	2017 – 2018	<ul style="list-style-type: none"> <li>• Obtain updated Rates and Adjustments certificate and accompanying actuary's report before 31 March</li> </ul>	<ul style="list-style-type: none"> <li>• Contributions received monitored against those certified.</li> <li>• Discussions ongoing with a select number of employers.</li> <li>• Funding update to be provided end of 2018/beginning of 2019.</li> <li>• FSS and termination policy to be reviewed in line with LGPS Amendment Regulations – Exit Credits</li> </ul>
2, 3	Implement and monitor the investment strategy	2017 – 2022	<ul style="list-style-type: none"> <li>• Investment returns</li> <li>• Funding level</li> </ul>	<ul style="list-style-type: none"> <li>• Results continue to be ahead of benchmark and target outperformance over 3 years</li> </ul>

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1, 3	Seek opportunities to reduce investment cost whilst retaining value for money	2017 – 2018	<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>• We continue to work to drive down costs and will ensure that efficiencies are delivered through the transition to investment pooling</li> <li>• Continuing to review externally-managed investments for value-for-money.</li> <li>• Working with industry and FCA to reduce investment costs and achieve full cost transparency.</li> </ul>

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1, 3	Demonstrate cost efficiency in our dealings with members and employers, including exploring opportunities to generate revenue to reduce net administration costs	2017 – 2022	<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 Q1 stands at £21.73, below the target of £23.20.</li> <li>• Printer procurement being undertaken to secure cost efficiencies in the Fund's hard copy mailings.</li> <li>• Fees applied for bespoke employer events delivered externally.</li> <li>• Initiation of Digital Transformation and Exploitation Programme</li> </ul>

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3	Continue to develop the existing covenant monitoring framework to support risk monitoring and enable early engagement on affordability issues and employer exit costs	2017 – 2019	<ul style="list-style-type: none"> <li>• Covenant risk reporting</li> <li>• Trigger-based engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Annual covenant questionnaires sent out in accordance with year-end reporting timescales</li> <li>• Covenant ratings refreshed based upon 2016 actuarial valuation results and revised financial information</li> <li>• Employer watch-list being updated to reflect revised ratings and dialogue/mitigating actions to be sought with employers on this list</li> </ul>

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4	Provide the highest standards of customer care to our employers and members	2017 – 2022	<ul style="list-style-type: none"> <li>• Customer satisfaction survey (employers and members)</li> <li>• Employer and Member Services calls</li> <li>• Availability of online services</li> <li>• IDRPs and complaints monitoring</li> <li>• Implementation of customer engagement plan</li> </ul>	<ul style="list-style-type: none"> <li>• Customer engagement strategy meetings held every 8 weeks to discuss events and plan for next quarter</li> <li>• Customer service KPI's demonstrate high performance and targets met. New process for IDRPs monitoring by compliance.</li> <li>• Availability of online services has increased the KPIs.</li> <li>• New surveys being implemented/developed</li> <li>• Full review of member pages on website being undertaken</li> </ul>

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4	Develop customer engagement with both members and employers	2017 – 2020	<ul style="list-style-type: none"> <li>• Customer satisfaction survey</li> <li>• Carry out customer journey mapping</li> <li>Employer peer group engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Customer engagement strategy implemented update meetings being held bi-monthly to review communication and website.</li> <li>• Customer service KPI monitoring shows high performance and targets met.</li> <li>• Revised PAS and associated Employer Engagement Roadmap to be published</li> <li>• Review of pensioner engagement undertaken with the Fund producing its own newsletter.</li> <li>• Telephone surveys to be implemented for calls made to member and employer helplines</li> <li>• Employer Peer Group terms of reference revised and new members included</li> </ul>

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1,4	Demonstrate achievement of the highest standards in everything that we do through external audit, accreditation and awards	2017 – 2022	<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>• Clean audit report achieved for year end</li> <li>• Customer Services Excellence reassessment due next quarter</li> </ul>
1,4	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	2017 – 2022	<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 in place with KPI increase on number of qualified staff.</li> <li>• Trustee training hours monitoring quarterly met yearly target.</li> <li>• Internal movement of staff showing development working well.</li> <li>• All spaces on trustee conferences booked.</li> </ul>

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1,4	Review and develop people and processes to ensure operational flexibility and efficient, high quality service delivery	2017 – 2022	<ul style="list-style-type: none"> <li>• Skills matrix</li> <li>• Fund-wide briefings</li> <li>• Delivery of the process review plan</li> <li>• Retain IIP accreditation</li> <li>• Increased automation</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce development strategy.</li> <li>• Staff briefings held.</li> <li>• Review of staff appraisal, visiting external organisations.</li> <li>• Aligned job descriptions to make workforce flexible.</li> <li>• Initiation of process reviews and some efficiencies identified</li> </ul>

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1,4	Continue to develop the Fund's electronic business model to improve data quality and ensure continued cost efficiencies	2017 – 2020	<ul style="list-style-type: none"> <li>• Web portal registration numbers</li> <li>• Delivery of more frequent bulk data exchange (eg, monthly submissions)</li> <li>• Refresh of web portal</li> </ul>	<ul style="list-style-type: none"> <li>• Working with City of Wolverhampton's Communications team for the Mail marketing system to improve electronic communications and gain better data.</li> <li>• New member web portal live with marketing and promotion through the Member Relationship Officer's including 'how to' videos</li> <li>• Monthly data submissions live for all employers between April and September 2017 (differing staging dates)</li> <li>• Initiation of Digital Transformation and Exploitation Programme</li> </ul>

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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	2017 – 2019	<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 as part of move to monthly returns.</li> <li>• Recruited 2 new data managers.</li> <li>• Development of employer dashboards to track progress.</li> <li>• Work on GDPR to assist data cleanse.</li> <li>• Monthly data submissions live for all employers between April and September 2017 (differing staging dates)</li> <li>• Areas of DTEP identified to support monitoring of performance i.e. webtray queries</li> </ul>

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3	Complete, as far as possible, the process of reconciling Fund GMP data with HMRC records	2017 – 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 complete with queries analysed and to be issued to HMRC before the year-end.</li> <li>• Service provider appointed to progress phase 1 and 2, to include system write-back functionality</li> <li>• Stage 2 to be completed by October 2018</li> </ul>
2	Work with our partners to establish LGPS Central and plan for the effective transition of assets into the pool.	2017 - 2022	<ul style="list-style-type: none"> <li>• Delivery in line with project plan</li> <li>• All key approvals secured</li> </ul>	<ul style="list-style-type: none"> <li>• LGPS Central Live from 3 April 2018 and initial £5bn of assets transferred.</li> </ul>