

## **Essex Pension Fund Business Plan 2012/13**

### **Governance**

#### **Objectives:**

- Provide a high quality service whilst maintaining value for money
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
- Evolve and look for new opportunities that may be beneficial for our stakeholders, particularly the Fund's beneficiaries, ensuring efficiency at all times
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based
- Understand and monitor risk and compliance
- Continually measure and monitor success against our objectives

#### **Actions:**

<b>Action</b>	<b>How will this be achieved?</b>	<b>Officer managing action*</b>	<b>Progress as at March 2012</b>
1. Annual business plan will be put in place.	A draft business plan will be produced based upon the draft objectives and submitted to the Board for approval in March 2012.	PSM/Hol	Complete

Action	How will this be achieved?	Officer managing action*	Progress as at March 2012
2. Further roll out of training and training needs assessments	Ongoing review of training needs and implementation of a training programme to fill any knowledge gaps for PFB, ISC and officers, with reference to the CIPFA Knowledge and Skills Framework.	IGA	In progress - Training plan developed for Board to be considered on 11 July Board meeting. Progress for officers delayed until restructure is implemented.
3. Board members' knowledge centre	A web based facility for Members to replace the handbook will be identified and put in place.	PSM	In progress - Officers need to obtain three quotes to meet procurement requirements. Two quotes now received and officers have approached further firms to obtain a final quote.
4. Annual review of governance policy	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement therein.	Hol, PSM and GTM	Not started - Will be taken to September Board.
5. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it. The 2011/12 review was deferred to 2012/13.	GTM and IGA	Not started – Planned for autumn 2012
6. Commence procurement of Independent Investment Adviser	Of the two Independent Investment advisers to the ISC, one contract will end in July 2012, and the ISC has agreed not to make a further re appointment The remaining Independent Investment adviser is due to end his contract mid way through 2013. Arrangements will be made to ensure that a successor is in place when required.	Hol and GMI	Not started – Planned to commence in December 2012

# Investments

## Objectives:

- To maximise the returns from investments within reasonable risk parameters
- To ensure the Fund is properly managed
- Ensure all significant Fund investment issues are communicated properly to all interested parties

## Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at March 2012
7. Monitor compliance with statutory guidance on investment decision making and disclosure.	Annually review the Statement of Compliance.	GMI	In progress – Final version will be included in Annual Report and Accounts.
8. Review of asset allocation	Annual review of asset allocation as part of the annual review of strategy & structure at the July 2012 ISC.	Hol	Scheduled for ISC on 25 July 2012
9. Review of Statement of Investment Principles (SIP)	Annual review of SIP	Hol	Complete. The ISC meeting on 13 June approved the SIP
10. To review investment management fees	Ensure that fee monitoring arrangements form part of the annual review of performance.	Hol	Scheduled for ISC on 25 July 2012

# Funding

## Objectives

- Within reasonable risk parameters, to achieve and then maintain assets equal to 100% of liabilities in the timescales determined in the Funding Strategy Statement
- To recognise in drawing up its funding strategy the desirability of employer contribution rates that are as stable as possible
- To have consistency between the investment strategy and funding strategy
- To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption of employer specific funding objectives
- Maintain liquidity in order to meet projected net cash-flow outgoings
- Minimise unrecoverable debt on termination of employer participation

## Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at March 2012
11. Review Funding Strategy Statement	In conjunction with the interim review and in discussion with the Actuary, the FSS will be reviewed to ensure that it remains appropriate.	Hol and PSM	Not started – Planned for Autumn.
12. Interim Review as at 31 March 2012.	An interim review of the Fund as at 31 March 2012 will be commissioned from the Actuary.	GMI and PSM	In progress – Results will be reported to September Board.
13. Admission/employer participation/bulk transfer policy	A framework structure and associated documentation will be agreed with the Fund Actuary and implemented.	GMI and PSM	In progress – Work being undertaken with Fund Actuary.

## Administration

### **Objectives:**

- Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need
- Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount
- Data is protected to ensure security and authorised use only

### **Actions:**

Action	How will this be achieved	Officer managing action*	Progress as at March 2012
14. Reform of LGPS	Pending outcomes, review and put in place a plan to deliver any requirements (e.g. revised processes, systems, etc).	PSM	Not started – Statutory consultation is currently expected to commence in the Autumn.
15. Complete the annual end of year data exercise as at 31 March 2012	Complete year end accounting, gather information from employer and update Axise, and produce annual benefit statements.	PSM	In progress – All on track.
16. Review the provision of AVC arrangements	The outcomes of the AVC review will be implemented.	PSM and GMI	In progress – Will be reported to Board in September.
17. Administration Strategy	Carry out consultation exercise, approve and publish agreed strategy.	PSM	In progress – Consultation drafted and agreed with Board. Consultation to take place during Autumn.

Action	How will this be achieved	Officer managing action*	Progress as at March 2012
18. Integration of Pensions Services and Investment Team	A review will be carried out of the two teams that currently service the Pension Fund, with a view to integrating structures.	EDfF and ADFM	In progress – Timetable in place for restructure which will include a new post of Head of Pensions
19. Procurement of Global Custodian	The market testing of the Funds Global Custody services will be completed.	GMI	In progress – A verbal update will be provided at Pensions Board on 11 July.
20. Auto Enrolment – Work based Pensions	Monitor developments and maintain dialogue with Pension Fund employers throughout the process of auto enrolment implementation. (Staggered staging dates apply to all employers – depending on size – between 2012 and 2016)	PSM	In progress – Ongoing liaison with employers including gathering staging dates.

## Communications

### **Objectives:**

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally
- Ensure our communications are simple, relevant and have impact
- Deliver information in a way that suits all types of stakeholder
- Aim for full appreciation of the pension scheme benefits and changes to the scheme by all scheme members, prospective scheme members and employers

### **Actions:**

Action	How will this be achieved?	Officer managing action*	Progress as at March 2012
21.Reform of LGPS	Pending outcomes, review and put in place a plan to deliver any communication requirements including delivery of key messages	PSM	<p>In progress – All relevant documentation to date has been forwarded to employers, who have in addition have been referred to <a href="http://www.essexpensionfund.co.uk">www.essexpensionfund.co.uk</a> for news items.</p> <p>A Prime newsletter for employees is being produced for publication in September 2012.</p>
22. Implement agreed Communications Policy	Implement in accordance with detailed provided in report on 7 March Board agenda, including consideration of implementation of on line facilities (subject to appropriate business case).	PSM	<p>Not started – Planned to commence July 2012</p>

Officer Managing Action Key:

- PSM – Pension Services Manager
- HoI – Head of Investments
- GMI – Group Manager Investments
- GTM – Governance Team Manager
- IGA – Independent Governance and Administration Adviser
- ADFM – Assistant Director Financial Management
- EDfF - Executive Director for Finance