

Essex Pension Fund Business Plan 2018/19

Governance

Objectives:

- Provide a high-quality service whilst maintaining value for money
- Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice
- 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

Action	How will this be achieved?	Officer managing action*	Progress as at end January 2019	2019/20 Business Plan
1. Annual business plan will be put in place.	Proposed actions for 2018/19 business plan actions were approved at March 2018 Board.	DfEPF & HoEPF	Complete.	Remove - BAU

Action	How will this be achieved?	Officer managing action*	Progress as at end January 2019	2019/20 Business Plan
2. Further roll out of training and training needs assessments	Training & training needs assessments will continue in 2018/19. Specific provision will be made for any new Board Members.	Fund officers / IGAA	<p>In progress -</p> <p>A training presentation was provided to the PSB at its 12 September meeting in addition to a session on Pooling. Since this meeting, all PSB, ISC and PAB members have been made aware of the Pension Regulator and CIPFA modules they are required to complete. The training requirements have been discussed with the new IGAA and a plan is in the process of being developed to deliver training requirements for the next two years.</p>	<p>Remain:</p> <p>further roll out of training and training needs assessments;</p> <p>training & training needs assessments will continue in 2019/20; and</p> <p>a revised training strategy and training plan is to be developed.</p>

Action	How will this be achieved?	Officer managing action*	Progress as at end January 2019	2019/20 Business Plan
3. Annual review of governance policy	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement.	DfEPF, HoE PF & IGAA	<p>Complete.</p> <p>The Governance Compliance Statement was reviewed by the PSB at its 4 July 2018 meeting. EPF updated the Statement and included the document within the 2017/18 Annual Report & Accounts. The full Governance Policy, including the revised Terms of Reference for the ISC, will be sent out to full council for endorsement.</p>	<p>Remain:</p> <p>annual review of governance policy;</p> <p>review governance policy to ensure it is relevant and up to date, including the governance compliance statement; and</p> <p>TORs for all Boards/Committee to be reviewed.</p>

Action	How will this be achieved?	Officer managing action*	Progress as at end January 2019	2019/20 Business Plan
4. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it.	DfEPF, HoEPF & IGAA	A governance review is due to be undertaken during 2019 by the IGAA.	Remain: annual review of Pension Fund Board; review of Pension Fund Board membership; and review the effectiveness of the Pension Fund Board and the services supplied to it.
5. IGAA Procurement	Current IGAA contract under the LGPS Framework expires 31 October 2018. Using the framework, with agreement from the PSB, a new tender exercise will commence during October and November 2018.	DfEPF & HoEPF	Complete. Tender exercise was completed with applications received on 2 November 2018. Interviews took place on 8 November 2018. IGAA informed of successful appointment 14 November 2018. Officially appointed IGAA via contract 3 December 2018.	Remove – appointed for 7-year period.

Investments

Objectives:

- To maximise the returns from investments within reasonable risk parameters
- To ensure the Fund's investments are properly managed before, during and after pooling is implemented
- Ensure investment issues are communicated appropriately to the Fund's stakeholders

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business plan
6. Review of asset allocation	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.	DfEPF	In progress – A performance review took place in July 2018 and a further review is scheduled for February 2019.	Remain: review of asset allocation; review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.
7. Implement any review of investment allocation arrangement.	Implement the any decisions taken by the ISC strategy in light of the Asset Liability Study.	DfEPF	In progress – Any asset allocation decisions made by the ISC will be implemented as required during 2018/2019.	Remain: implement any review of investment allocation arrangement; and implement the any decisions taken by the ISC strategy in light of the Asset Liability Study.

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business plan
8. To review investment management fees	Ensure that fee monitoring arrangements form part of the annual review of performance.	DfEPF	In progress – The Fund has participated in CEM cost and performance benchmarking and will be reported to the ISC during Quarter 4 18/19.	Remove - BAU
9. Review the Investment Strategy Statement (ISS)	<p>A draft ISS was published in late March 2017 and a stakeholder consultation launched between late April and 22 June.</p> <p>The responses to the stakeholder consultation were considered at the 19 July meeting of the ISC.</p> <p>The final agreed ISS has now been published at: http://www.essexpensionfund.co.uk/media/2970/investment-strategy-statement-2017.pdf </p>	DfEPF	In progress – The ISS will be kept under review.	Remain: Review the Investment Strategy Statement (ISS).

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business plan
10. Respond to the requirements of LGPS structural reform process	Developments in relation to LGPS structural reform will be monitored	DfEPF	<p>In progress –</p> <p>Progress reports on the Fund's involvement with the ACCESS pool will feature throughout 2018/19.</p>	<p>Remain:</p> <p>respond to the requirements of LGPS structural reform process;</p> <p>developments in relation to LGPS structural reform will be monitored; and</p> <p>this will remain in the business plan until transition of assets is complete.</p>

Funding

Objectives

- To prudently set levels of employer contributions that aim to achieve a fully funded ongoing position in the timescales determined in the Funding Strategy Statement
- To recognise in drawing up the funding strategy the desirability of employer contribution rates that are as stable as possible
- To ensure 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, where necessary, of employer specific funding objectives
- To maintain liquidity in order to meet projected net cash-flow outgoings
- To minimise unrecoverable debt on termination of employer participation

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business Plan
11. Interim Review as at 31 March 2018.	An interim review of the Fund as at 31 March 2018 will be commissioned from the Actuary.	HoEPF & DfEPF	Complete	Remove and replace with: Actuarial Valuation as at 31 March 2019; a triennial valuation will be commissioned from the Fund Actuary; and the various processes of the Valuation will take place throughout 2019/20.

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019
12. Review Funding Strategy Statement	Consideration will be given to whether the Funding Strategy requires review in the light of the results of the Interim Review.	HoEPF & DfEPF	Complete
13. Employer participation	Employer participation and membership of the Essex Pension Fund will be monitored on an on-going basis.	HoEPF & DfEPF	In progress - Employer participation will continue to be reviewed during 2018/2019.

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Remain: review Funding Strategy Statement as part of 2019/20 triennial valuation process.
Remove - BAU

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
- Clearly establish the levels of performance the Fund and its employers are expected to achieve in carrying out their functions
- Develop successful partnership working between the Fund and its employers

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business Plan
14. Complete the annual end of year data exercise as at 31 March	Complete year end accounting gathers information from employer and update UPM and produce annual benefit statements.	HoEPF	Complete.	Remove - BAU
15. Administration Strategy	The Administration Strategy will be monitored annually.	HoEPF	Complete.	Remove - BAU

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business Plan
16. Implementation of UPM (administration system)	Ongoing phased implementation will continue through 2018/2019.	HoEPF	<p>In progress –</p> <p>To date 31,000 individual scheme members have been invited to use “<i>Member online</i>” of whom 9,500 have registered.</p> <p>221 Employers have registered and are using “<i>Employer online</i>”.</p> <p>Officers on the Systems Team are exploring “<i>Retire online</i>”.</p>	<p>Remain:</p> <p>implementation of UPM (administration system); and</p> <p>ongoing phased implementation will continue through 2019/20.</p>
17. Review of staffing structure	A review is scheduled to complete during 2018/19.	DfEPF & HoEPF	Complete	Remove - BAU

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business Plan
18. Confirmation of GMP entitlement	Confirming the GMP (Guaranteed Minimum Pension) element of all scheme members' entitlement is required to be completed by 2017/18	HoEPF	<p>In progress –</p> <p>The project will continue in 2018/19.</p> <p>An update on the project's completion date will be brought to the December 2018 PSB meeting.</p>	<p>Remain:</p> <p>confirmation of GMP entitlement;</p> <p>confirming the GMP (Guaranteed Minimum Pension) element of all scheme members'; and</p> <p>will remain ongoing until the project is completed.</p>

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business Plan
19. Implementation of GDPR	Review of our systems and data handling to ensure compliance with the new GDPR regime which supersedes the Data Protection Act requirements on 25 May 2018	HoEPF	<p>A plan is in place to ensure compliance with GDPR requirements.</p> <p>Short and full privacy notices, a memorandum of understanding for employers and an FAQs document have been uploaded to our website.</p> <p>Wording has been added to the drafted Annual Benefit Statements to signpost members where GDPR information and the privacy notices can be found on the website.</p> <p>In Progress –</p> <p>A review of documents held on our Pension Administration System that refers to previous Data Protection legislation and updating these as appropriate – started.</p> <p>Further Staff Training – mandatory training due to be completed by 31 December 2018.</p> <p>Data Scoring – elements completed – work ongoing.</p>	Remove - BAU

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

Action	How will this be achieved?	Officer managing action*	Progress as at January 2019	2019/20 Business Plan
20. Monitor Communications Policy	The communications policy will be reviewed during 2017/2018	HoEPF	A review of the communications policy will be carried out in quarter 4 of 2018/19.	Remain: Monitoring of the Communications Policy; and the communications policy will be reviewed during 2019/20.
21. Communication GMP entitlement	All Employees involved will be communicated with confirming the GMP (Guaranteed Minimum Pension) element of their Pension entitlement.	HoEPF	In progress – The project will continue in 2018/19. An update will be provided at the December 2018 PSB.	Remain: communication of GMP entitlement; all Employees involved will be communicated with confirming the GMP (Guaranteed Minimum Pension) element of their Pension entitlement; and this will remain ongoing until the project is completed.

*Officer Managing Action: DoEPF - Director for Essex Pension Fund; HoEPF - Head of Essex Pension Fund; and IGAA - Independent Governance & Administration Adviser.