

## ANNEX A

# Essex Pension Fund Business Plan 2013/14 Proposed actions for Business Plan 2014/15

## 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:

Action	How will this be achieved?	Officer managing action*	Progress as at March 2014	2014/2015 Business Plan
1. Annual business plan will be put in place.	2013/14 business plan actions presented to 6 March 2013 Board for approval.	DfEPF & HoEPF	Complete	Draft 2014/15 business plan actions presented to 5 March 2014 Board for approval.

Action	How will this be achieved?	Officer managing action*	Progress as at March 2014	2014/2015 Business Plan
2. Further roll out of training and training needs assessments	Training & training needs assessments will continue in 2013/14.  Specific provision will be made for any new Board Members.	IGAA	In progress -  Governance training took place on 22 January 2014 Procurement training is scheduled prior to 5 March 2014 meeting	Training & training needs assessments will continue in 2014/15.  .
3. Board members' knowledge centre	A web based facility for Members to replace the handbook will be identified and put in place.	HoEPF	Complete	Shadow training to be offered to Board Members to maximize usage.
4. Annual review of governance policy	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement.	DfEPF, HoEPF & IGAA	Complete.	Scheduled for September 2014
5. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it.	GTM and IGAA	Complete.	A further review is planned for July 2014
6. Procurement of Independent Governance Adviser	The Board will consider its approach to this matter in 2014/2015	DfEPF & HoEPF	In progress –  A separate report appears elsewhere on the March agenda	The procurement will be completed during 2014/2015
7. Implement the requirements of the Public Sector Pension Act 2013	Respond to consultation on draft Governance regulations  Agree & implement required changes to Governance arrangements	DfEPF, HoEPF & IGAA	Action commencing in 2014/15 Not applicable for 2013/14	Ongoing action during 2014/15

## Investments

### **Objectives:**

- To maximise the returns from investments within reasonable risk parameters
- To ensure the Fund is properly managed
- Ensure investment issues are communicated appropriately to the Fund's stakeholders

### **Actions:**

Action	How will this be achieved?	Officer managing action*	Progress as at March 2014	2014/2015 Business Plan
8. Review of asset allocation	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings. 4 July 2013 and 24 February 12 ISC.	DfEPF	Complete	Review to take place in July 2014 and February 2015
9. Implement any review of investment allocation arrangement	Implement the decisions taken at the February 2013 ISC strategy meeting.  Complete appointment of Global Equity managers.	DfEPF	Complete	Implement as required any changes
10. To review investment management fees	Ensure that fee monitoring arrangements form part of the annual review of performance.	DfEPF	Complete	Scheduled for July 2014 strategy review
Action	How will this be achieved?	Officer	Progress as at March 2014	2014/2015 Business Plan

		<b>managing action*</b>	
11. Review the Statement of Investment Principles (SIP)	Annual Review of SIP – to include review of Statement of Compliance on Investment Decision Making	DfEPF	Complete
12. Procurement of Independent Investment Adviser	The current arrangement ceases in July 2015. The ISC will consider its approach to this matter in 2014/2015	DfEPF	Action commencing in 2014/15 Not applicable for 2013/14
13. Participate in the consultation on LGPS structural reform	Respond to consultation on draft options for the structure of LGPS in England & Wales	DfEPF	Although work on this took place during 2013/14, including response to the Call for Evidence, this is a new measure in the Business Plan.

To be reviewed after July 2014
Scheduled for 2014/15
Ongoing action during 2014/15

# 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 2014
14. Review Funding Strategy Statement	In conjunction with the Actuarial Valuation and in discussion with the Actuary, a revised FSS will be drafted, consulted upon and finalised 2013/14.	DfEPF and HoEPF	In progress -  A separate item on this matter appears elsewhere on March 2014 Board agenda
15. Actuarial Valuation as at 31 March 2013	A triennial valuation will be commissioned. Progress reports will be brought to the Board and the results shared with employing bodies.	DfEPF and HoEPF	In progress -  A separate item on this matter appears elsewhere on March 2014 Board agenda
Action	How will this be achieved?	Officer	Progress as at March 2014

2014/2015 Business Plan
The Funding Strategy Statement will be reviewed in conjunction with the results of the 2014 interim review
Action ceasing in 2013/14 Not applicable for 2014/15
2014/2015 Business Plan

		<b>managing action*</b>	
16. Interim Review as at 31 March 2014.	An interim review of the Fund as at 31 March 2014 will be commissioned from the Actuary.	DfEPF and HoEPF	Action commencing in 2014/15 Not applicable for 2013/14
17. Employer participation	Employer participation and membership of the Essex Pension Fund will be monitored on an on-going basis	DfEPF and HoEPF	In progress -  To be monitored during 2013/14 as part of valuation & funding strategy process.

The result of the interim review will be considered at the September 2014 Pensions Board meeting
Ongoing monitoring to continue throughout 2014/15.

## 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 2014	2014/2015 Business Plan
18. New 2014 LGPS	Pending outcomes review and put in place a plan to deliver any requirements (e.g. revised processes, systems, etc).	HoEPF	In progress -  An item on this matter appears elsewhere on the 5 March 2014 Board agenda.	Developments will continue to be monitored and brought to the Board's attention during 2014/15
19. Complete the annual end of year data exercise as at 31 March	Complete year end accounting, gather information from employer and update Axise, and produce annual benefit statements.	HoEPF	Complete for 31 March 2013.	Required as part of the preparation for the 31 March 2014 interim review.

Action	How will this be achieved	Officer managing action*	Progress as at March 2014	2014/2015 Business Plan
20. Administration Strategy	The Administration Strategy will be monitored during 2013/14.	HoEPF	In progress –  The Administration Strategy will be monitored during 2013/14, as part of the Actuarial Valuation process.	To be monitored & reviewed during 2014/15.
21. Integration of Pensions Services and Investment Team	The final stages of the new structure's implementation will be completed during 2013/14.	DfEPF and HoEPF	In progress –  The last appointee to the new structure will take up their post next month.	Action ceasing in 2013/14 Not applicable for 2014/15
22. 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)	HoEPF	In progress –  Approximately 30 Fund employers are expected to have staging dates during the 2013/14	Monitoring of auto enrolment will continue during 2014/15.
23. Implementation of new administration system	A project plan to be in place to deliver a new system by 31 December 2014	HoEPF	In progress –  The contract with the new provider was signed in early February. This is the first key milestone. Implementation planning is currently underway.	To continue through 2014/2015



## 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 2014	2014/2015 Business Plan
24. New 2014 LGPS	Pending outcomes, review and put in place a plan to deliver any communication requirements including delivery of key messages	HoEPF	In progress –  Tim Hazelwood from LGE presented to an employer road-show held at Anglia Ruskin University on 29 November 2013. All Employers were invited.	Will continue during 2014/2015
25. Actuarial Valuation & Funding Strategy	The draft Funding Strategy and Valuation results will be shared with Employers. A series Employer Forums are planned for autumn 2013.	DfEPF and HoEPF	In progress –  A separate item on this matter appears elsewhere on March 2014 Board agenda	Action ceasing in 2013/14 Not applicable for 2014/15

Action	How will this be achieved	Officer managing action*	Progress as at March 2014	2014/2015 Business Plan
26. Monitor Communications Policy	The communications policy will be monitored during 2013/2014	HoEPF	On -going	To continue during 2014/2015.

Key:

DfEPF: Director for Essex Pension Fund

HoEPF: Head of Essex Pension Fund

GTM: Governance Team Manager

IGAA: Independent Governance & Administration Adviser