

Essex Pension Fund Business Plan 2011/12

Governance

Objectives:

- Provide a high quality 'gold standard' 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, 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
- Pursue socially responsible business practices

Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at June 2011
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 2011.	Hol and PSM	Complete - Plan agreed by March 2011 Board.
2. Measurement of progress.	Performance reports will be provided to the Board.	Hol and PSM	See report on Measurement against Fund Objectives on this agenda

Action	How will this be achieved?	Officer managing action*	Progress as at June 2011
3. Review the scheme of delegation	Scheme of delegation to be reviewed to ensure appropriate reporting lines, particularly in relation to Pension Services and the recent move to Finance Professional Services	GMI	A high level review of the scheme of delegation was undertaken by Council on 10 May 2011. Officers will now complete the review of sub-delegations.

Action	How will this be achieved?	Officer managing action*	Progress as at June 2011
<p>4. Further roll out of training and training needs assessments</p>	<p>Consider further development of training for Board and officers including:</p> <ul style="list-style-type: none"> • Induction programme to be offered to all new members of the Board and ISC. Training opportunities identified and offered to existing members throughout the year. • Officer training and development needs will be identified through “my performance” process and reviewed during year. Background reports will be prepared on all decisions to be taken by the Board and ISC. Arrangements to ensure that appropriate advice is available to the ISC from institutional investment consultant and two independent investment advisers will be maintained. Where specific issues require additional specialist advice, suitable providers will be identified. A handbook has been prepared and will be maintained for members of the Board. <p>Review of success of training and agreeing an ongoing training assessment and delivery programme for PFB, ISC and, possibly, officers, which could incorporate the CIPFA Knowledge and Skills Framework</p>	<p>GO</p>	<p>See report on Pension Fund Board Knowledge and Skills on this agenda</p>

Action	How will this be achieved?	Officer managing action*	Progress as at June 2011
5. Annual review of governance policy	Review governance policy to ensure it is relevant and up to date, including the governance compliance statement therein.	Hol and PSM	See report on this agenda
6. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it.	GO and IGA	Scheduled for March 2012 meeting
7. Review Fund objectives.	Fund objectives to be reviewed later in 2011/12 in advance of preparation of 2012/13 business planning. Measurement indicators will assist in understanding the appropriateness of the current objectives.	Hol and PSM	Scheduled for December 2011 meeting
8. Commence procurement of Independent Investment Adviser	One of the ISC's Independent Investment advisers is due to end his contract mid way through 2012. Arrangements will be made to ensure that a successor is in place when required.	Hol	Procurement exercise to be commenced September 2011

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 June 2011
9. Monitor compliance with statutory guidance on investment decision making and disclosure.	Annually review the Statement of Compliance to be published in the SIP.	Hol	A new SIP was approved at 9 June 2011 ISC meeting. The Statement of Compliance will now be redrafted to show the increased level of compliance with statutory guidance.

10. Review of asset allocation	Commission the investment consultants to carry out an asset liability study for the Fund and coordinate the reporting of its findings to the ISC.	Hol	The study has been commissioned and its findings are due to be submitted to the next meeting of the ISC in July 2011.
11. Review of Statement of Investment Principles (SIP)	Annual review of SIP following the annual review of strategy & structure.	Hol	The review of the SIP will be undertaken following the annual review of investment strategy, asset allocation and investment management arrangements by the ISC in July 2011.
Action	How will this be achieved?	Officer managing action*	Progress as at June 2011
12. To determine whether value for money is being obtained from the investment management fees being paid and to identify any areas where efficiencies can be achieved.	Ensure that new fee monitoring arrangements agreed as part of strategy & structure review are implemented by investment consultant as part of their annual review of performance and reported to the ISC.	Hol	The investment consultants have been instructed to include this in their report to the ISC's strategy meeting in July 2011.

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 determine employer contribution requirements recognising the desirability of maintaining as nearly constant employer contributions as possible
- To have consistency between the investment strategy and funding strategy
- To manage employers' liabilities effectively 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 June 2011
13. Review Funding Strategy Statement	In conjunction with the interim review and in discussion with the Actuary, the FSS will be	Hol	An interim review has been commissioned.

	reviewed to ensure that it remains appropriate.		Results are expected to be presented at the September Meeting.
14. Interim Review as at 31 March 2011.	An interim review of the Fund as at 31 March 2011 will be commissioned from the Actuary.	Hol	An interim review has been commissioned. Results are expected to be presented at the September Meeting.
15. Admission/employer participation/bulk transfer policy	The agreed framework structure and associated documentation will be developed and implemented during the year.	Hol and PSM	The initial framework structure has been discussed and the documentation of the framework is ongoing.

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 June 2011
16. Independent Review of Administration	The Independent Governance Adviser will complete the review of administration services.	EDfF	A draft report has been produced and submitted to officers for comment.

17. Hutton Review	Pending outcomes, review and put in place a plan to deliver any requirements	Hol and PSM	Awaiting detailed proposals on implementation. An update will be provided by the Actuary at this meeting
18. Complete the annual end of year data exercise as at 31 March 2011	Provide data to the Fund Actuary in order that any necessary calculations may be carried out.	Hol and PSM	Awaiting instruction from Actuary on detailed data requirements
19. Review the provision of AVC arrangements	Investigate current and alternative arrangements available. Ensure stakeholders have choices.	PSM	Initial contact made with Actuary Timeline to be confirmed
Action	How will this be achieved	Officer managing action*	Progress as at June 2011
20. Staff resources will be monitored to ensure that appropriate support can be provided to the Board, the ISC and other stakeholders.	As part of the ongoing general management of the service, workloads, resources and priorities are monitored and discussed at team meetings. The support arrangements for the Pension Fund, the Board and the ISC will need to be kept under review as new arrangements and policies are introduced.	PSM and Hol	The impact of the increasing number of schools gaining Academy status and therefore becoming separate employing bodies within the Essex Pension Fund, is part of the ongoing monitoring of staff resources.
21. Administration Strategy	Investigate and develop an action plan for the implementation of an administration strategy, following the completion and outcome of the administration review.	PSM	Awaiting the outcome of the Independent Review of Pension Administration – see Action 16
22. Procurement of Actuary	The position of Fund Actuary will be subject to market testing	Hol	A procurement exercise has been commenced with a specification drawn up

			and advert placed. The exercise is scheduled to complete in October 2011.
23. Procurement of Global Custodian	The position of Global Custodian will be subject to market testing	GMI	A procurement exercise has been commenced and a specialist consultant appointed to assist and an advert placed. The exercise is scheduled to complete in autumn 2011.

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 impactful
- Deliver information in a way that suits all types of stakeholder
- Aim for full appreciation of the pension scheme benefits by all scheme members and prospective scheme members

Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at June 2011
24. Hutton Review	Pending outcomes, review and put in place a plan to deliver any communication requirements	PSM	Awaiting detailed proposals on implementation. An update will be provided by the Actuary at this meeting
25. Improve employer	Review and put in place a plan to improve	PSM	Pending Communication Strategy review

engagement	engagement with employers of the fund. This will be undertaken as part of a review of the communication strategy.		and following completion of the Independent Administration Review – see action 16
26. Improve engagement with other stakeholders	Review and put in place a plan to improve engagement with other stakeholders within the Fund. This will be undertaken as part of a review of the communication strategy	PSM	Pending Communication Strategy review and following completion of the Independent Administration Review – see action 16
27. Further develop website	Investigate ways of increasing use of the website, including an area for Employers.	PSM	Meeting arranged to discuss with Website provider
28. Instigate joint communications	Instigate joined up communications covering Administration and Investment issues	Hol and PSM	Initial discussions taking place