

## Essex Pension Fund Business Plan 2015/16

### 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. Continually measure and monitor success against our objectives
- 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

#### Actions:

Action	How will this be achieved?	Officer managing action*	Progress as at December 2015
1. Annual business plan will be put in place.	Proposed actions for 2015/16 business plan actions presented to 4 March 2015 Board for approval.	DfEPF & HoEPF	Complete
2. Further roll out of training and training needs assessments	Training & training needs assessments will continue in 2015/16.	IGAA	In progress. A training item appears elsewhere on the 16 December 2015 PSB agenda

Action	How will this be achieved?	Officer managing action*	Progress as at December 2015
3. Board members' knowledge centre	Further infoBOARD training will take place during 2015/16	HoEPF	Scheduled for 2016 Further development of infoBOARD and training is planned for 2016
4. Annual review of governance policy	A review of governance policy will take place after arrangements for the Pensions Advisory Board have been finalised.	DfEPF, HoEPF & IGAA	In progress. The draft governance policy & compliance statement appears elsewhere on the 16 December 2015 PSB agenda
5. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it.	GTM and IGAA	In progress. Some of the recommended actions will feature in consideration of the governance policy & compliance statement.
6. Implement the requirements of the Public Sector Pension Act 2013	Implement required changes to Governance arrangements	DfEPF, HoEPF & IGAA	Complete. The first meeting of the new Pension Advisory Board took place on 17 July 2015.

## 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 December 2015
7. Review of asset allocation	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.	DfEPF	In progress. A review took place on 22 July 2015. A further review is scheduled for 22 February 2016
8. Implement any review of investment allocation arrangement	Any asset allocation decisions made by the ISC will be implemented as required.	DfEPF	Complete. As reported to the ISC on 25 November, rebalancing the Baillie Gifford mandate in line with the ISC's decision of 22 July 2015 was completed in early October 2015.
9. To review investment management fees	Ensure that fee monitoring arrangements form part of the review of strategy.	DfEPF	Scheduled for February 2016.

<b>Action</b>	<b>How will this be achieved?</b>	<b>Officer managing action*</b>	<b>Progress as at December 2015</b>
10. Review the Statement of Investment Principles (SIP)	Annual Review of SIP – to include review of Statement of Compliance on Investment Decision Making	DfEPF	The next review of the SIP is scheduled for March 2016.
11. Procurement of Independent Investment Adviser (IIA)	The position of IIA will be advertised, and a shortlist of suitable candidates will be interviewed by a sub-committee of Members.	DfEPF	Complete. The Appointment Sub Committee met on 19 June 2015 and agreed to appoint Mark Stevens as the new IIA.
12. Respond to the requirements of LGPS structural reform process	Developments in relation to LGPS structural reform will be monitored.	DfEPF	In progress. A separate report on this matter appears elsewhere on the 16 December 2015 agenda.

# 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 December 2015
13. Interim Review as at 31 March 2015.	An interim review of the Fund as at 31 March 2015 will be commissioned from the Actuary.	DfEPF and HoEPF	Complete. The Actuary presented the Interim Review to the PSB at its meeting in September 2015.
14. 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 as at 31 March 2015.	DfEPF and HoEPF	Complete. At its September meeting, in light of the results of the Interim Review, the PSB agreed that the Funding Strategy remain unchanged
15. Employer participation	Employer participation and membership of the Essex Pension Fund will be monitored on an on-going basis	DfEPF and HoEPF	In progress - Monitoring continues

## 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 December 2015
16. Complete the annual end of year data exercise as at 31 March	Complete year end accounting, gather information from employer and update UPM, and produce annual benefit statements.	HoEPF	Complete.  This exercise has been completed for all employers who submitted a Year End return by 30 November 2015.
17. Administration Strategy	The Administration Strategy will be monitored during 2015/16.	HoEPF	In progress. An item on Year End Returns appears elsewhere on the 16 December 2015 agenda.

Action	How will this be achieved	Officer managing action*	Progress as at December 2015
18. 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.  Monitoring continues
19. Implementation of new administration system	The second phase of UPM implementation including the “ <i>member online</i> ” and “ <i>employer online</i> ” modules will be phased in during 2015/2016.	HoEPF	In progress.  Testing continues.  Phase 2 modules currently being implemented are the new required GMP module, barcoding to enable streamlined scanning of documents and bulk data importing to allow large uploads of employee information.
20. Review of staffing structure	A review of staffing structure will take place.	DfEPF and HoEPF	Scheduled for Q4 2015/ Q1 2016
21. Confirmation of GMP entitlement	Confirming the GMP element of all Scheme Members’ entitlement is required to have been completed by 2017/18.	HoEPF	In progress: Work on this significant project has commenced. Initial comparative data reporting has commenced.

## 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 December 2015
22. Monitor Communications Policy	A review of the communications policy will take place.	HoEPF & CM	In progress.  The draft Communications Policy appears elsewhere on the 16 December 2015 agenda.
23. Communicating forthcoming National Insurance changes	The Fund will inform both employers and active scheme members of the increases to employer and employee national insurance contribution rates scheduled to commence from April 2016.	CM	In progress.  Dialogue with employers continues. Employees advised within the Annual Benefit Statement.

#### Key:

DfEPF: Director for Essex Pension Fund

HoEPF: Head of Essex Pension Fund

GTM: Governance Team Manager

IGAA: Independent Governance & Administration Adviser

CM: Communications Manager