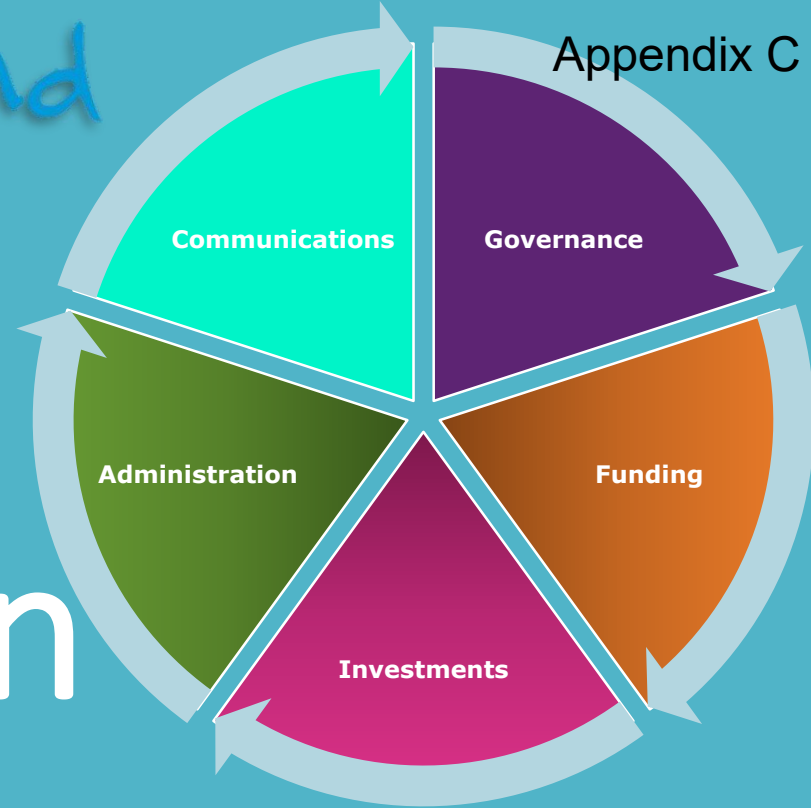


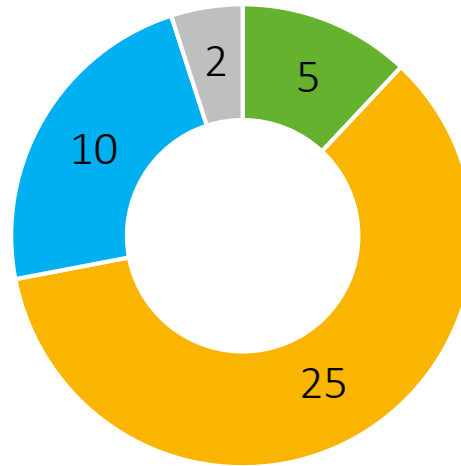
2020/21 Business Plan & Budget Progress Update

01 April 2020 – 31 August 2020



Strategic BAU & Key Priorities

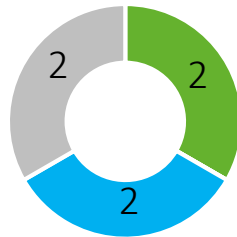
Essex Pension Fund



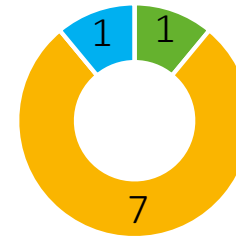
Of 42 Priorities

■ Completed ■ In Progress ■ Delayed ■ Not due to start ■ Not Applicable

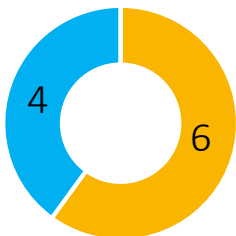
Funding



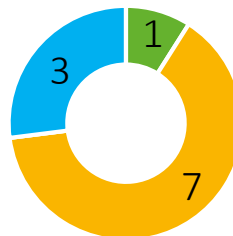
Administration



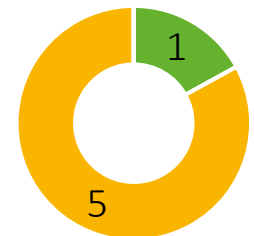
Governance



Investments



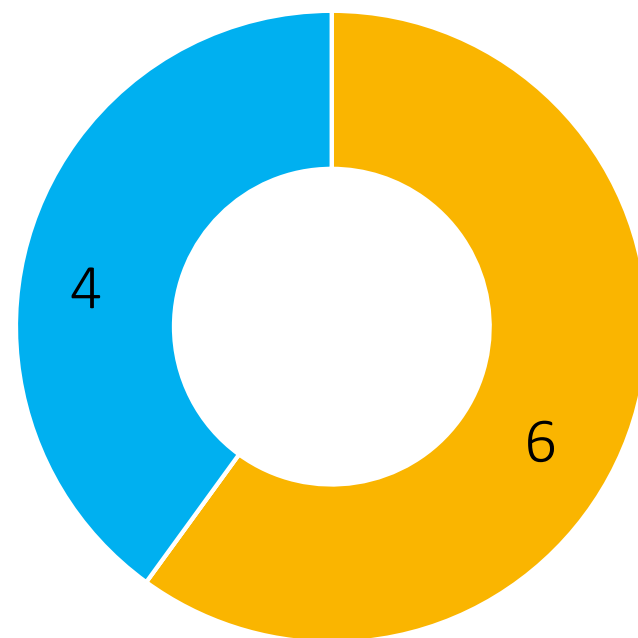
Communications



1. Progress - Governance



Strategic BAU & Key Priorities



■ Completed
 ■ In Progress
 ■ Delayed
 ■ Not due to start
 ■ Not Applicable

Strategic BAU & Key Priorities

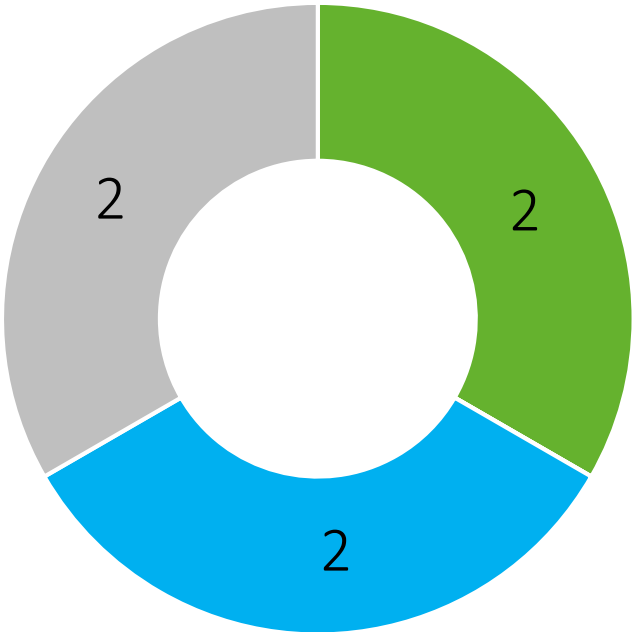
1. Agree 2021/22 Business Plan & Budget
2. Development & Implementation of Risk Management Strategy
3. LGPS Reform
4. Implementation of Members' knowledge and understanding
 - Training Needs Analysis
 - Review the revised Training Strategy (Knowledge & Skills)
5. Development of Business Continuity Policy, Plan (including Cyber security) and Testing
6. Commencement of Governance Review and Effectiveness Survey
7. Annual Review of Governance related Policies including the Governance Policy and Compliance Statement
8. Annual Statement of Accounts including compliance with CIPFA requirements
9. Annual review of Terms of Reference for PSB/ISC/PAB
10. Development & Implementation of Breaches Policy

2. Progress - Funding



Strategic BAU & Key Priorities	
1. Implementation of the outcome of the Actuarial Valuation in line with the Fund’s Funding Strategy Statement	Completed
2. Annual Interim Funding review	In Progress
3. Funding Strategy Statement review	Completed
4. Employing Authority discretions and delegations review	Not due to start
5. Employer Risk review	Not due to start
6. Undertake Interim review of the Fund’s Actuary	In Progress

Strategic BAU & Key Priorities



- Completed
- In Progress
- Delayed
- Not due to start
- Not Applicable

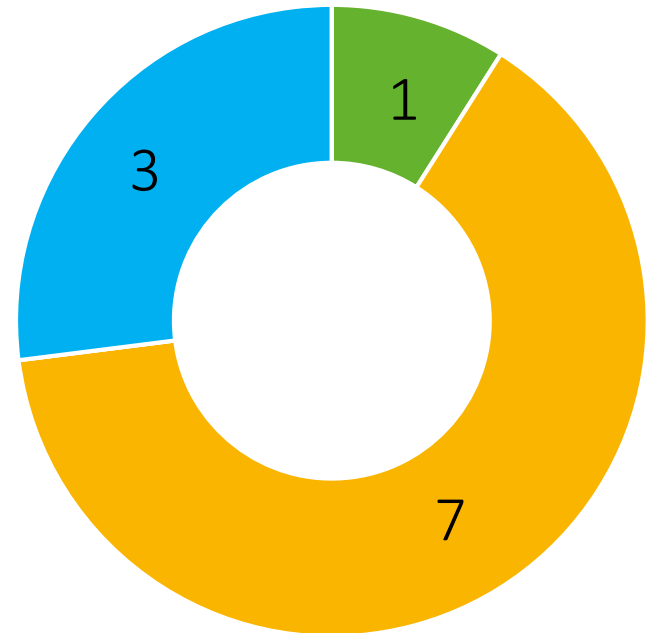
3. Progress - Investments



Strategic BAU & Key Priorities

Strategic BAU & Key Priorities	
1. Strategic Asset Allocation review	In Progress
2. Commencement of Institutional Investment Consultant procurement	Not due to start
3. Institutional Investment Consultant – CMA review	Not due to start
4. Implementation of Independent Investment Adviser procurement	In Progress
5. Commencement of Global Custody procurement	In Progress
6. Asset/Liability Study	In Progress
7. Investment Strategy Statement review including Responsible Investment (RI) Policy	In Progress
8. 2021/22 Treasury Management Strategy review	Not due to start
9. ACCESS collaboration	In Progress
10. Individual Manager review	In Progress
11. Review of CEM Benchmarking / Cost Transparency	Completed

Strategic BAU & Key Priorities



■ Completed
 ■ In Progress
 ■ Delayed
 ■ Not due to start
 ■ Not Applicable

4. Progress - Administration



Strategic BAU & Key Priorities

1. LGPS Reform – Planning for Administration changes:

- Unpausing of Cost Cap
- £95k Cap
- Goodwin

2. Review/Procure a Administration System Provider

3. Review and implementation of Pensions Single Payments provider

4. Greater Digitalisation of the Fund including Member Online, Employer Online and Retire Online

5. McCloud Preparation / Implementation

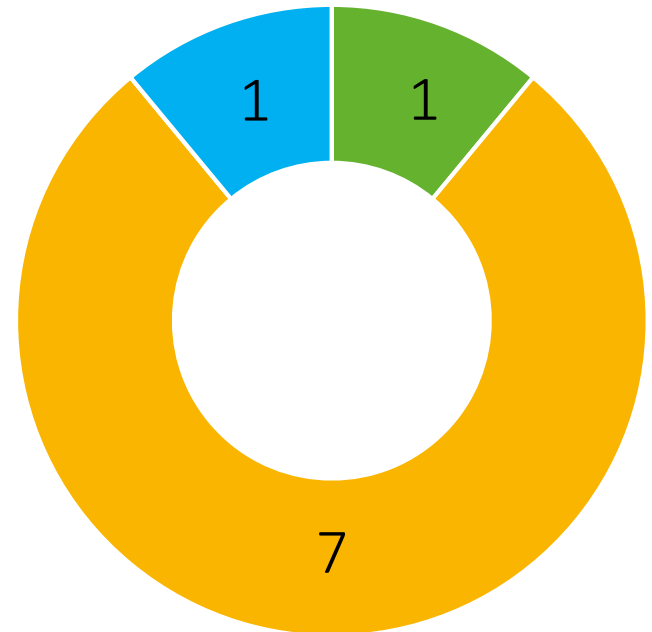
6. Development of Monthly Returns Digital Transformation

7. Data Improvement Plan

8. Participation in National Fraud Initiative

9. Monthly Bulk Leaver / Retire Online development/implementation

Strategic BAU & Key Priorities



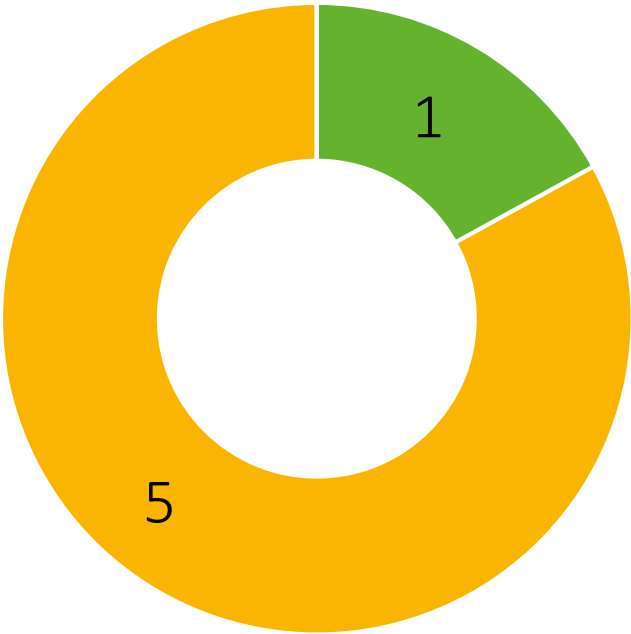
- Completed
- In Progress
- Delayed
- Not due to start
- Not Applicable

5. Progress - Communications



Strategic BAU & Key Priorities	
1. LGPS Reform: <ul style="list-style-type: none">• Unpausing of Cost Cap• £95k Cap• Goodwin	In Progress
2. Greater Digitalisation of the Fund including the exploration of Electronic Communications therein	In Progress
3. McCloud Implications	In Progress
4. Social Media Channel Exploration	In Progress
5. Commencement of the Website review	In Progress
6. Annual Benefit Statements review and development	Completed

Strategic BAU & Key Priorities



- Completed
- In Progress
- Delayed
- Not due to start
- Not Applicable

Commentary

1. Governance



Strategic BAU & Key Priorities		Commentary
1. Agree 2021/22 Business Plan & Budget		2020/21 Business Plan & Budget was agreed at the 4 March 2020 PSB meeting. The 2021/22 Business Plan & Budget process will commence in Q4 2021.
2. Development & Implementation of Risk Management Strategy		The Risk Management Strategy has been formulated. Agenda Item 5 of the 23 September 2020 PSB Agenda Pack includes an update in regard to this matter.
3. LGPS Reform		Development periodically reviewed throughout the year.
4. Implementation of Members' knowledge and understanding <ul style="list-style-type: none"> • Training Needs Analysis • Review the revised Training Strategy (Knowledge & Skills) 		The Training Strategy and Training Plan has been reviewed. Agenda Item 5 of the 23 September 2020 PSB Agenda Pack includes an update in regard to this matter.
5. Development of Business Continuity Policy, Plan (including Cyber security) and Testing		The oversight of the development of the Business Continuity Plan was delegated to the PAB by the PSB at their 11 September 2019 meeting. The Policy is currently in draft and has been shared with the Independent Governance & Administration Adviser (IGAA) for comment. An Agenda Item on progress will be reported to the 23 September PAB meeting.
6. Commencement of Governance Review and Effectiveness Survey		This is due to commence in Q4 2020/21.



Strategic BAU & Key Priorities		Commentary
7. Annual Review of Governance related Policies including the Governance Policy and Compliance Statement		This is due to commence in Q3 2020/21.
8. Annual Statement of Accounts including compliance with CIPFA requirements		The production of the Annual Report and Accounts is in progress and is on course to be completed and published by the statutory deadline of 1 December 2020.
9. Annual review of Terms of Reference for PSB/ISC/PAB		This is due to commence in Q3 2020/21.
10. Development & Implementation of Breaches Policy		The Policy for Recording and Reporting Breaches has been formulated. Agenda Item 5 of the 23 September 2020 PSB Agenda Pack includes an update in regard to this matter.

Commentary

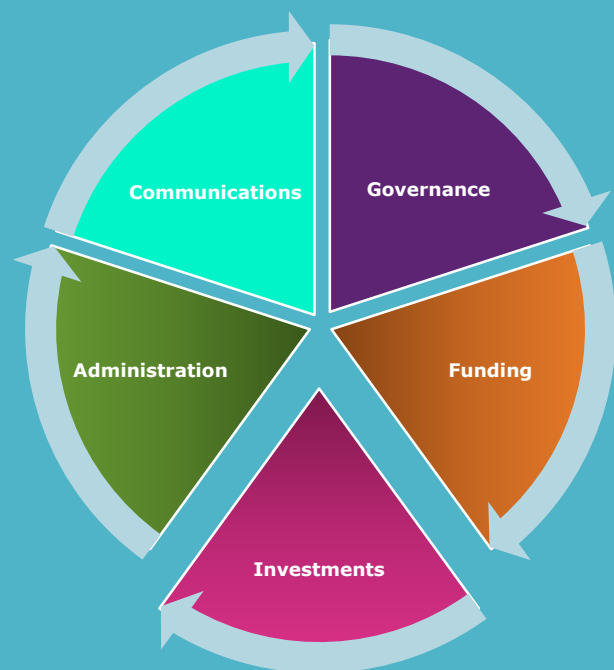
2. Funding



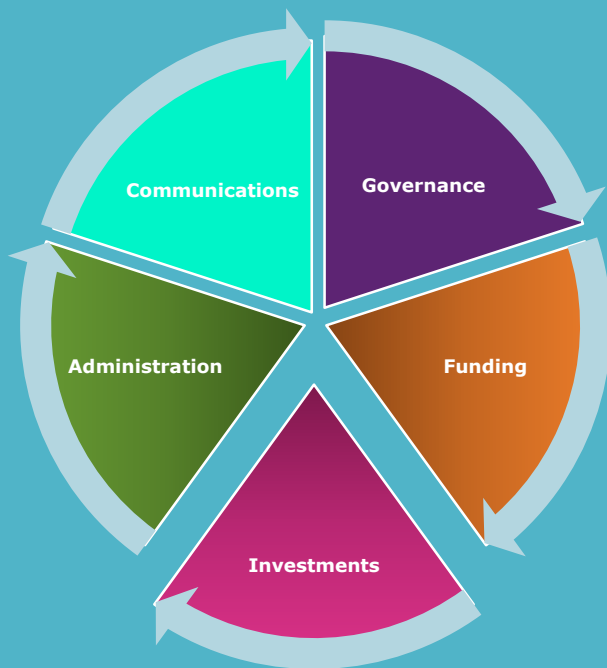
Strategic BAU & Key Priorities		Commentary
1. Implementation of the outcome of the Actuarial Valuation in line with the Fund's Funding Strategy Statement		Complete. The 2019 Actuarial Valuation has been implemented. New employer contribution rates were effective from 1 April 2020, in line with the Funds Rates and Adjustment Certificate.
2. Annual Interim Funding review		This is due to commence during Q3 2020/21. This would incorporate any changes from McCloud, Unpausing of Cost Cap, £95k Cap and Goodwin.
3. Funding Strategy Statement review		Complete. The Funding Strategy Statement is periodically reviewed and revisions communicated with Employers. The latest amendment made was in June 2020 in regard to Exit Credits following the PSB's agreement exercising the Out of Committee Decision Making process.
4. Employing Authority discretions and delegations review		Periodically reviewed as and when required.
5. Employer Risk review		Periodically reviewed as and when required.
6. Undertake Interim review of the Fund's Actuary		This is due to commence during Q3 2020/21.

Commentary

3. Investments



Strategic BAU & Key Priorities		Commentary
1. Strategic Asset Allocation review		The Strategic Asset Allocation review is conducted on a Biannual basis and is reported to the ISC for decisions to be made as and when required. A review of the Fund's investment managers' as at 31 March 2020 was presented to the July 2020 ISC meeting.
2. Commencement of Institutional Investment Consultant procurement		Procurement to commence in Q3 2020/21.
3. Institutional Investment Consultant – CMA review		Review to take place during Q3 2020/21.
4. Implementation of Independent Investment Adviser procurement		The procurement of the Independent Investment Adviser commenced in August. The deadline for submission of interest to be submitted to Officers was 18 September 2020. An update will be provided to the ISC at their 21 October 2020 meeting.
5. Commencement of Global Custody procurement		The Fund is working with the National LGPS Framework colleagues on populating the providers on the Custody Framework. The timetable is on target for a go live of February 2020. The Fund is on schedule to commence procurement during Q4 2020/21.
6. Asset/Liability Study		Preliminary work has commenced with the outcome to be reported in Q4 2020/21.



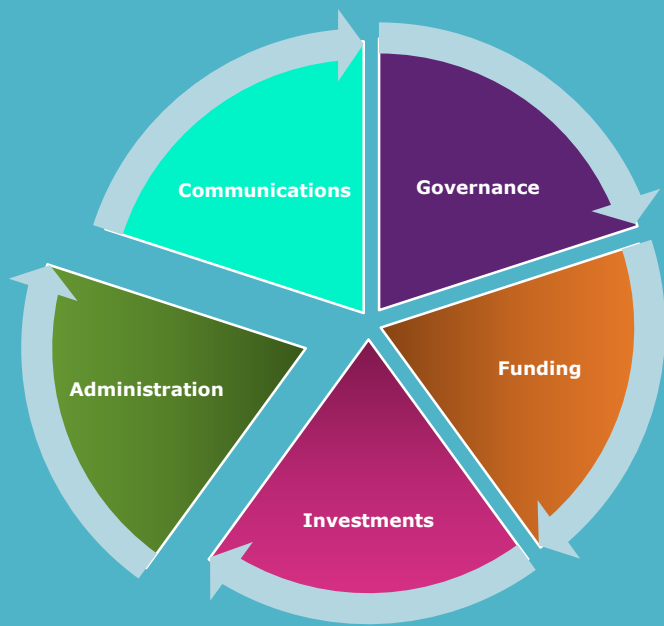
Strategic BAU & Key Priorities		Commentary
7. Investment Strategy Statement review including Responsible Investment (RI) Policy		The draft ISS six week stakeholder consultation concluded on 16 September 2020. The outcome of the consultation will be reported to the ISC at their 21 October 2020 meeting.
8. 2021/22 Treasury Management Strategy review		The 2020/21 Treasury Management Strategy review was due to take place at the March 2020 ISC meeting but due to the circumstances around Covid-19 was deferred and agreed at the 21 July 2020 ISC meeting. The 2021/22 Treasury Management Strategy review will commence in Q4 2021.
9. ACCESS collaboration		Progress periodically reported to each ISC and PSB meeting.
10. Individual Manager review		Progress periodically reported to each ISC meeting.
11. Review of CEM Benchmarking / Cost Transparency		Complete. CEM Benchmarking review was undertaken on the Fund's costs as at 31 March 2019 and the outcome was reported to the ISC at their 21 July meeting.

Commentary

4. Administration



Strategic BAU & Key Priorities		Commentary
1. LGPS Reform – Planning for Administration changes <ul style="list-style-type: none"> • Unpausing of Cost Cap • £95k Cap • Goodwin 		Updates on the latest developments will be provided throughout the year. Agenda Item 15 of the 23 September 2020 PSB Agenda Pack includes an update in regard to this matter.
2. Review/Procure a Administration System Provider		Procurement completed on 3 August 2020. Civica, the Fund's current administration system provider was awarded a contract for 7 years with a provision to extend for a further period of up to three years.
3. Review and implementation of Pensions Single Payments provider		New timeline to be agreed in line with ECC Corporate Systems Project and will be fed into Finance & Technology Corporate Business Plan.
4. Greater Digitalisation of the Fund including Member Online, Employer Online and Retire Online		<p>To date 48,000 (32%) individual scheme members have been invited to use "<i>Member online</i>" of whom 16750 (35%) are utilising this service.</p> <p>254 Employers have registered and are using "<i>Employer online</i>".</p> <p>Retire Online has gone live on '<i>Member Online</i>' where Deferred LGPS members aged over 55 can now run their own estimates and can officially retire with no input from EPF staff.</p>



Strategic BAU & Key Priorities		Commentary
5. McCloud Preparation / Implementation		A McCloud project team was set up autumn 2019. Phase 1 communicating with and obtaining additional membership data from employers is in progress. Updates on the latest developments will be provided throughout the year. Agenda Item 15 of the 23 September 2020 PSB Agenda Pack includes an update in regard to this matter.
6. Development of Monthly Returns Digital Transformation		The Fund is on target to complete the development of the facility for the Fund Employers' to provide Monthly Returns digitally by the end of 2021/22.
7. Data Improvement Plan		In progress.
8. Participation in National Fraud Initiative		The Fund participate in the NFI and have moved this participation from an annual basis to a monthly basis.
9. Monthly Bulk Leaver / Retire Online development / implementation		In progress.

Commentary


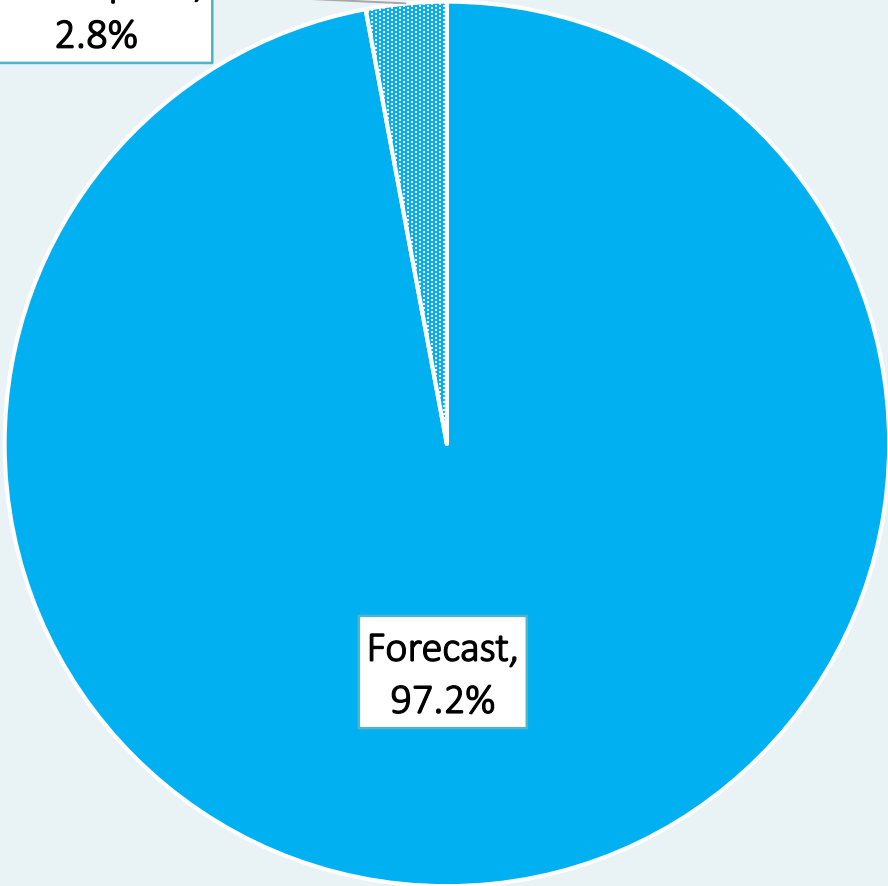





5. Communications



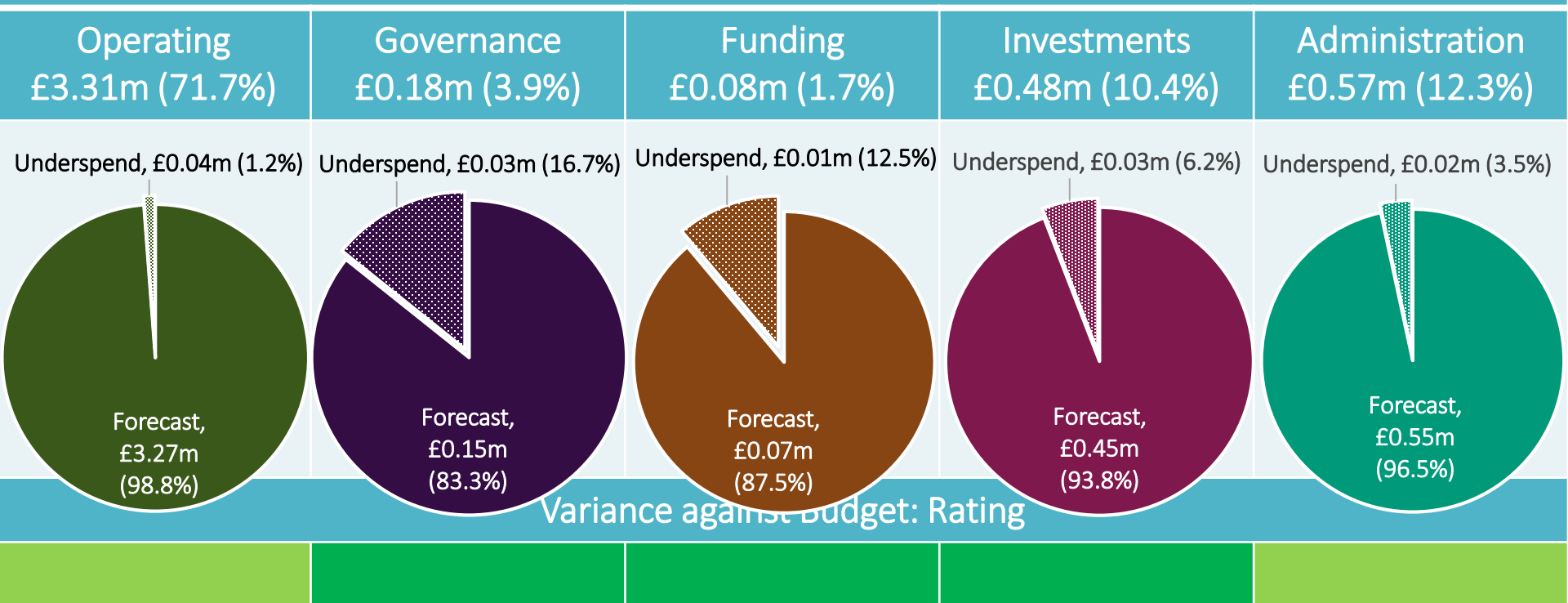
Strategic BAU & Key Priorities		Commentary
1. LGPS Reform: <ul style="list-style-type: none"> Unpausing of Cost Cap £95k Cap Goodwin 		Updates on the latest developments will be provided throughout the year. Agenda Item 15 of the 23 September 2020 PSB Agenda Pack includes an update in regard to this matter.
2. Greater Digitalisation of the Fund including the exploration of Electronic Communications therein		This is a continuous process throughout the year.
3. McCloud Implications		A McCloud project team was set up autumn 2019 to ensure requirements are being actioned and communicated with Employers. Updates on the latest developments will be provided throughout the year.
4. Social Media Channel Exploration		The Fund have a LinkedIn Social Media Channel and are now exploring the use of a YouTube Channel to enable training webinars for Employers and/or Members to view as and when required.
5. Commencement of the Website review		The website review is in progress and is due for completion by the end of 2021/22.
6. Annual Benefit Statements review and development		Annual Benefit Statements for 2020/21 were issued by the statutory deadline of 31 August.

EPF Budget vs Forecast 2020/21

Q2 Progress Update

EPF Budget £4.62m	Current Forecast £4.49m	Variance (Under)/Overspend (£0.13m)	Rating 	Progress Update Commentary	Variance against Budget Key	
 <p>Underspend, 2.8%</p> <p>Forecast, 97.2%</p>				<p><i>A slight underspend is forecast against EPF 2020/21 Budget. Forecast based on the Fund's current FTE staffing structure and does not reflect the impact of the recent LGPS Reform announcements on the Fund's staffing resources and systems. A Resource Impact Assessment and Gap Analysis will need to be undertaken to assess the affect on delivery of statutory duties. The Budget and Forecast will be reassessed once outcome is known.</i></p>	(Under) spend > 5%	
					(Under) spend < 5%	
					On Budget	
					Over spend < 5%	
					Over spend > 5%	

EPF Budget 2020/21: £4.62m



Budget Commentary

EPF Staffing Budget slight underspend due to 1 FTE vacancy for half the year. The budget line also includes travel/conferences expenses. This underspend is due to current reliance on virtual, rather than physical meetings/conferences.

Underspend due to cancellation of June PSB/PAB and July training day and current reliance on virtual meetings and advise on Fund Policies coming within Budget.

Budget line includes actuarial and legal advise. Actuarial advise currently on Budget, however ,the Fund is forecasting a slight underspend on legal advise for 2020/21.

Underspend due to cancellation of July training and current reliance on virtual meetings. Budget line contains a contingency for additional advise/work on Responsible Investment.

Current forecast does not reflect the new contract terms of Civica (administration system provider) contract that commenced in late August or the additional cost of regulatory updates to the system in regard to recent LGPS Reform announcement. Q3 Forecast will be updated to reflect the new Civica arrangements.