

## **ANNEX A**

# **Essex Pension Fund 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 December 2014
1. Annual business plan will be put in place.	Proposed actions for 2014/15 business plan actions presented to 5 March 2014 Board for approval.	DfEPF & HoEPF	Complete

Action	How will this be achieved?	Officer managing action*	Progress as at December 2014
2. Further roll out of training and training needs assessments	Training & training needs assessments will continue in 2014/15.  Specific provision will be made for any new Board Members.	IGAA	In progress -  <i>Governance &amp; Legislation</i> training scheduled prior to 10 December 2014 Pension Board meeting.  Introductory briefings held for Cllr Woodley 28 October and Cllr Galley on 21 November 2014.
3. Board members' knowledge centre	A web based facility for Members to replace the handbook will be identified and put in place.	HoEPF	In progress -  <i>infoBOARD</i> training took place prior to 17 September 2014 Pension Board meeting
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	A review of governance policy will take place after arrangements for the new Local Pension Board have been finalised.
5. Annual review of Pension Fund Board	Review the effectiveness of the Pension Fund Board and the services supplied to it.	GTM and IGAA	A review of the effectiveness of the Board will take place after arrangements for the new Local Pension Board have been finalised.
6. Procurement of Independent Governance Adviser	The procurement will be completed during 2014/15	DfEPF & HoEPF	Complete  At its meeting on 13 October 2014, the Appointment Sub Committee agreed to re appoint Barry Mack of Hymans Robertson in the role of IGAA
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	In progress –  A separate report appears elsewhere on the 10 December 2014 Board agenda.

## 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 2014
8. Review of asset allocation	Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings. July 2014 and February 2015.	DfEPF	In progress  Formal annual review took place at 23 July 2014 ISC Strategy meeting. A further review will take place in February 2015.
9. Implement any review of investment allocation arrangement	Implement the decisions taken at the July 2014 ISC strategy meeting.	DfEPF	Complete  The illiquid debt mandate appointment has been finalised.
10. To review investment management fees	Ensure that fee monitoring arrangements form part of the annual review of performance.	DfEPF	Complete  The review took place at the 23 July 2014 ISC Strategy meeting.

Action	How will this be achieved?	Officer managing action*	Progress as at December 2014
11. Review the Statement of Investment Principles (SIP)	Annual Review of SIP – to include review of Statement of Compliance on Investment Decision Making	DfEPF	In progress  The ISC considered a draft revised SIP at its meeting on 26 November. The draft is currently subject to consultation.
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	Scheduled to commence in early 2015.
13. Respond to the requirements of LGPS structural reform process	Respond to consultation on draft options for the structure of LGPS in England & Wales  Monitor subsequent developments	DfEPF	In progress –  A response to the consultation was considered at the July Board prior to submission.  A verbal update will be given on this matter under agenda item 5a at the 10 December 2014 Board meeting

# 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 2014
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 2014.	DfEPF and HoEPF	In progress  At its September 2014 meeting, the Board considered the results of the 31 March 2014 Interim Review and determined that no change was required.  A separate report appears elsewhere on the 10 December 2014 Pension Board agenda re: Academy employer contributions for 2015/16 and 2016/17.
15. 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	Complete  At its September 2104 meeting, the Board considered the results of the 31 March 2014.

Action	How will this be achieved?	Officer managing action*	Progress as at December 2014
16. 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 2014
17. New 2014 LGPS	Pending outcomes review and put in place a plan to deliver any requirements (e.g. revised processes, systems, etc).	HoEPF	<p>In progress</p> <p>A workshop covering a number of topics, including the revised requirements stemming from the new 2014 CARE scheme, was held in October 2014 for Town &amp; Parish Councils.</p> <p>A similar event for Academies was scheduled for 5 December 2014.</p>
18. 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	<p>Complete.</p> <p>Deferred benefit statement were dispatched in June 2014. Active benefit statements were dispatched in August 2014.</p>

Action	How will this be achieved	Officer managing action*	Progress as at December 2014
19. Administration Strategy	The Administration Strategy will be monitored during 2014/15.	HoEPF	In progress  Monitoring continues
20. 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
21. Implementation of new administration system	A project plan to be in place to deliver a new system by 31 December 2014	HoEPF	A separate report on the successful go live of the new UPM software appears in a separate agenda item for the Board's meeting on 10 December 2014.

## 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 2014
22. 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  Communications continue during 2014/15
23. Monitor Communications Policy	The communications policy will be monitored during 2014/2015	HoEPF	In progress  Monitoring continues

Key:

DfEPF: Director for Essex Pension Fund

HoEPF: Head of Essex Pension Fund

GTM: Governance Team Manager

IGAA: Independent Governance & Administration Adviser