

## Essex Pension Fund Business Plan 2019/20

### Governance

#### Objectives:

- Provide a high-quality service whilst maintaining value for money.
- Ensure compliance with the Local Government Pension Scheme (LGPS) regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.
- 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, ensuring efficiency at all times.
- Act with integrity and be accountable to our stakeholders.
- Understand and monitor risk and compliance.
- Continually measure and monitor success against our objectives.
- Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
1. Further roll out of training and training needs assessments	Further roll out of training and training needs assessments;  training & training needs assessments will continue in 2019/20; and  a revised training strategy and training plan is to be developed	Fund officers / IGAA	In progress	This has been included within the 2020/21 Business Plan and progress will be reported to the Board on a quarterly basis.

## Appendix A

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
2. Annual review of governance policy	<p>Annual review of governance policy; review governance policy to ensure it is relevant and up to date, including the governance compliance statement; and</p> <p>ToRs for all Boards/Committee to be reviewed.</p>	DfEPF, CM & IGAA	The Governance Policy and Compliance Statement has been reviewed. The Agenda for the 4 March 2020 PSB includes an item on this matter.	This has been included within the 2020/21 Business Plan and will be reviewed annually.

## Appendix A

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
3. Annual review of Pension Fund Board	<p>Annual review of Pension Fund Board;</p> <p>review of Pension Fund Board membership; and</p> <p>review the effectiveness of the Pension Fund Board and the services supplied to it.</p>	DfEPF, CM & IGAA	<p><u>PAB update</u> The PAB review is now complete.</p> <p><u>PSB/ISC update</u> The PSB Other Employing Bodies representative nomination is due to close 29 February 2020.</p> <p>The PSB Scheme Member representative (UNISON) has been confirmed.</p>	<p><u>Review of Effectiveness</u> The IGAA will commence a review of effectiveness of the Boards once the changes have been embedded.</p>

# Appendix A

## Investments

### Objectives:

- To maximise the returns from investments within reasonable risk parameters.
- To ensure the Fund's investments are properly managed before, during and after pooling is implemented.
- Ensure investment issues are communicated appropriately to the Fund's stakeholders.

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
4. Review of asset allocation	Review of asset allocation;  Review of asset allocation as part of the strategy & structure deliberations at the ISC strategy meetings.	DfEPF & IM	Complete for 2019/20	This has been included within the 2020/21 Business Plan.  The Review of asset allocation forms part of the strategy & structure deliberations at the ISC strategy meetings
5. Implement any review of investment allocation arrangement	Implement any review of investment allocation arrangement;  and implement any decisions taken by the ISC in light of the Asset Liability Study.	DfEPF & IM	In progress:  Any asset allocation decisions made by the ISC will be implemented as required during 2019/20.	This has been included within the 2020/21 Business Plan.  Implement any review of investment allocation arrangement; and any decisions taken by the ISC in light of the Asset Liability Study.

## Appendix A

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
6. Review the Investment Strategy Statement (ISS)	Review the Investment Strategy Statement (ISS).	DfEPF & IM	<p>In progress:</p> <p>The ISC have concluded their review on three of the four areas of the ISS.</p> <p>At 19 February 2020 meeting the RI Policy was agreed. The Policy will now be shared with the Fund's Investment Managers for comment. Feedback will be brought back to the March ISC meeting.</p>	This has been included within the 2020/21 Business Plan. It is anticipated that the ISS will be consulted upon during the summer.
7. Respond to the requirements of LGPS structural reform process	<p>Respond to the requirements of LGPS structural reform process;</p> <p>developments in relation to LGPS structural reform will be monitored; and</p> <p>this will remain in the business plan until transition of assets is complete.</p>	DfEPF & IM	<p>In Progress:</p> <p>This is continually monitored by Officers and periodic updates are reported to both PSB and ISC.</p>	This has been included within the 2020/21 Business Plan and progress will be reported to the Board on a quarterly basis.

## Funding

### Objectives

- To recognise in drawing up the funding strategy the desirability of employer contribution rates that are as stable as possible.
- To prudently set levels of employer contributions that aim to achieve a fully funded ongoing position in the timescales determined in the Funding Strategy Statement.
- To manage employers' liabilities effectively, having due consideration of each employer's strength of covenant, by the adoption, where necessary, of employer specific funding objectives.
- To ensure consistency between the investment strategy and funding strategy.
- To maintain liquidity in order to meet projected net cash-flow outgoings.
- To minimise unrecoverable debt on termination of employer participation.

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
8. Actuarial Valuation as at 31 March 2019	Actuarial Valuation as at 31 March 2019;  an actuarial valuation will be commissioned from the Fund Actuary; and  the various processes of the Valuation will take place throughout 2019/20.	DfEPF & EM	In progress:  Actuarial Valuation total Fund results were presented at September's PSB meeting and an update was provided at the December PSB meeting.  The Agenda for the 4 March 2020 PSB includes an item to finalise this process.	The Triennial Valuation of the Fund is included in the new Three-Year Business Plan.

## Appendix A

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
9. Review Funding Strategy Statement	Review Funding Strategy Statement as part of 2019/20 actuarial valuation process.	DfEPF & EM	<p>In progress:</p> <p>This is being reviewed in conjunction with the Valuation Results and is currently out for consultation.</p> <p>The Agenda for the 4 March 2020 PSB includes an item to finalise this process.</p>	This has been included within the 2020/21 Business Plan and will be reviewed as and when required.

# Appendix A

## Administration

### Objectives:

- Deliver a high quality friendly and informative service to all beneficiaries and employers at the point of need;
- Ensure contribution income is collected from the right people at the right time in the right amount;
- Ensure benefits are paid to the right people at the right time in the right amount; and
- Ensure the Fund employers are aware of and understand their roles and responsibilities, and carry out their functions in line with legislation, guidance and the Fund's agreed policies and procedures.

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
10. Implementation of UPM (administration system)	Ongoing phased implementation of UPM (administration system);  Member, Employer and Retire online	SM	In progress:  To date 46,000 (31%) individual scheme members have been invited to use " <i>Member online</i> " of whom 13,500 (29.35%).  250 Employers have registered and are using " <i>Employer online</i> ".  Officers on the Systems Team are exploring " <i>Retire online</i> ".	This has been included within the 2020/21 Business Plan and progress will be reported to the Board on a quarterly basis.



## Appendix A

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
11. Confirmation of GMP (Guaranteed Minimum Pension) entitlement	Confirmation of GMP entitlement; confirming the GMP (Guaranteed Minimum Pension) element of all scheme members'; and will remain ongoing until the project is completed.	THM	Project complete and will now form part of business as usual.	Not applicable.

# Appendix A

## Communications

### Objectives:

- Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally;
- Ensure our communications are useful and easy to follow;
- Deliver information in a way that suits all types of stakeholders including providing more accessibility through greater use of technology;
- Aim for full appreciation of the pension scheme benefits and changes to the Scheme by all the scheme members, prospective scheme members and employers.

Action	How will this be achieved?	Officer managing action*	Progress as at 25 February 2020	2020/21 Business Plan
12. Monitor Communications Policy	Monitoring of the Communications Policy;  and the communications policy will be reviewed during 2019/20.	THM	Awaiting PSB approval:  The Communications Policy has been reviewed.  The Agenda for the 4 March 2020 PSB includes an item on this matter.	This has been included within the 2020/21 Business Plan and will be reviewed triennially or as required.

\*Officer Managing Action: DoEPF - Director for Essex Pension Fund; CM – Compliance Manager; IM – Investment Manager; EM – Employer Manager; SM – Systems Manager; THM – Technical Hub Manager; and IGAA - Independent Governance & Administration Adviser.