

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
- 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 July 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 |

| Action | How will this be achieved? | Officer managing action* | Progress as at July 2015 |
|---|---|--------------------------|--|
| 2. Further roll out of training and training needs assessments | Training & training needs assessments will continue in 2015/16. | IGAA | In progress. |
| 3. Board members' knowledge centre | Further infoBOARD training will take place during 2015/16 | HoEPF | In progress. A workshop on infoBOARD is scheduled for immediately after the Board's meeting on 8 July 2015 |
| 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 | Scheduled for September. The Governance Compliance Statement will be updated to reflect the changes to the membership of the PSB and the formation of the PAB. |
| 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. A separate item appears on the Board's 8 July 2015. |
| 6. Implement the requirements of the Public Sector Pension Act 2013 | Implement required changes to Governance arrangements | DfEPF, HoEPF & IGAA | In progress. The first meeting of the new Pension Advisory Board is scheduled for 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 July 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. Reviews scheduled to take place on 22 July 2015 and 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 | As required. |
| 9. To review investment management fees | Ensure that fee monitoring arrangements form part of the annual review of performance. | DfEPF | Scheduled for November 2015. |

| Action | How will this be achieved? | Officer managing action* | Progress as at July 2015 |
|---|---|--------------------------|---|
| 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 SIP will be kept under review. |
| 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 | The situation will continue to be monitored. |

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 July 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 | Scheduled for September 2015 The results of the 31 March 2015 Interim Review will be considered at the September 2015 meeting. |
| 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 | Scheduled for September 2015. |

| Action | How will this be achieved? | Officer managing action* | Progress as at July 2015 |
|----------------------------|--|---------------------------------|---------------------------------------|
| 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 July 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 | In progress. A separate item on this matter appears on the 8 July agenda. |
| 17. Administration Strategy | The Administration Strategy will be monitored during 2015/16. | HoEPF | In progress. Monitoring continues |

| Action | How will this be achieved | Officer managing action* | Progress as at July 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 including <i>“member online”</i> and <i>“employer online”</i> is scheduled to commence in 2015/16 | HoEPF | In progress. Testing continues. Phase 2 expected to be implemented in early 2016. |
| 20. Review of staffing structure | A review of staffing structure will take place. | | Scheduled for Q4 2015 |

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 July 2015 |
|-----------------------------------|--|--------------------------|--|
| 21. Monitor Communications Policy | A review of the communications policy will take place. | HoEPF | A review of the communications policy will take place after arrangements for the new Local Pension Board have been finalised |

Key:

DfEPF: Director for Essex Pension Fund

HoEPF: Head of Essex Pension Fund

GTM: Governance Team Manager

IGAA: Independent Governance & Administration Adviser