

**BUSINESS PLAN 2020-24**

1. This paper seeks feedback from the Committee on the draft Cheshire Pension Fund Business Plan 2020-24, included at Appendix A.

**Recommendation**

2. The Committee is asked to endorse the Business Plan and the 2020-21 budget

**2020/2024 BUSINESS PLAN**

3. The format and structure of the Business Plan has been updated to draw out key issues and reflect the significant local and national developments affecting the LGPS nationally and the Fund locally, which the Fund needs to address. The Business Plan sets out:
  - the Fund's long term, strategic objectives
  - local and national developments impacting the plan
  - an annual overview of actions for each year of the plan
  - a proposed budget for Year 1 (2020/21)
4. There is uncertainty regarding the impact of a number of developments, particularly national issues such as the McCloud remedy and MHCLG consultations on regulatory changes. The Business Plan will be regularly updated with further reports to Committee as more information emerges.
5. The Business Plan includes an Appendix, which provides a high level Action Plan for each of the four years of the plan covering the period 2020-24. Action planning is themed around the three key areas of Governance, Administration and Communications and Funding and Investments.
6. Subject to the Committee's feedback on the medium term actions proposed, a detailed Action Plan tracker for 2020/21, along with the updated Risk register, will be presented to Committee at the June following approval of the Business Plan.

**Resourcing the Plan**

7. The forecast budget requirement for 2020-21 is £4.613m; this is a net decrease of £48,000 on the approved budget for 2019/20. More detail on the budget is set out on the next page.
8. In previous years a contingency has been built into individual cost lines as however this year the Fund has changed its approach and separated out the contingency as a single line item. Call down of this contingency will be reported to Committee during the year.

<b>Budget Summary</b>				
	<b>2019/20</b>	<b>2020/21</b>	<b>Change</b>	<b>Comment on changes</b>
	£000	£000	£000	
Employee costs	1,951	2,062	111	Salary increases and recruitment to vacant posts
Premises	63	73	10	Increased occupancy charge due to increased desk allocation for pensions team
Transport	16	15	-1	
Supplies & Services				
Operational	969	712	-256	Reductions in software support and capital financing
LGPS Central Ltd	1,083	1,119	36	Rebate for 2019-20 underspend – (NB see Contingency)
Actuarial Services	382	219	-163	Reduced as triennial valuation completed
Investment Advice	197	162	-35	Provision for additional charges included in new general contingency
Sub-total	2,631	2,213	-418	
Contingency		250	250	Provision to cover potential costs in relation to: <ul style="list-style-type: none"> <li>• Impact of actuarial re-procurement</li> <li>• LGPS Central budget for 2020/21 not yet finalised</li> <li>• Resourcing outcomes of the Good Governance Review</li> <li>• Resourcing outcome of scheme changes due to McCloud case</li> </ul>
<b>TOTAL</b>	<b>4,661</b>	<b>4,613</b>	<b>-48</b>	



# Cheshire Pension Fund Business Plan 2020-2024

March 2020



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Draft



## 1. INTRODUCTION

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- 1.1 Welcome to the 2020-2024 business plan for the Cheshire Pension Fund, the name of the Local Government Pension Scheme in Cheshire.
- 1.2 Cheshire Pension Fund (the Fund) provides pension benefits for 100,000 current and former local government workers across Cheshire, including the four councils of Cheshire West & Chester, Cheshire East, Halton and Warrington, Police & Fire, local colleges, housing associations, academy schools and a number of charitable bodies.
- 1.3 Cheshire West and Chester Council (the Council) is the Administering Authority for the Cheshire Pension Fund and this plan sets out the Council's vision and objectives for the Fund.
- 1.4 Staff that manage and administer the Fund are employed by the Council and the Council's corporate values, set out in the Council plan, "Playing your Part to THRIVE" help shape delivery of the plan.
- 1.5 Yearly action plans support delivery of this overarching plan. We report performance and progress to the Local Pension Board and Pension Fund Committee on a quarterly basis, with the plan being reviewed annually.
- 1.6 The Local Government Pension Scheme (LGPS) continues to experience significant change and a number of emerging developments are described later in this plan. Action plans sitting beneath this plan will, of necessity need to be flexible to respond to developing national issues.



## 2. OBJECTIVES

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### 2.1 Our PRIMARY objectives are :-

#### Governance

- Effective governance arrangements which allow Pension Fund Committee, Pension Board, Fund officers and participating employers to discharge their responsibilities efficiently, effectively and transparently

#### Administration and Communication

- Delivering high quality, value for money and friendly services to all beneficiaries, potential beneficiaries and employers including clear, timely and relevant communications

#### Funding and Investments

- Ensuring the financial sustainability of the Fund to meet scheme members' pensions by actively managing investment and pension liability risk and increasing stability and affordability of employer contribution rates

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### 3. GOVERNANCE

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#### Local arrangements

- 3.1 The Council has delegated responsibility for the management and administration of the Fund to the Section 151 Officer.
- 3.2 The Section 151 Officer has established an advisory panel, known as the Pension Fund Committee, whose membership includes elected Councillors from the four participating Councils plus a scheme member representative.
- 3.3 The Pension Fund Committee has established a sub panel, known as the Investment Sub-Committee, which makes recommendations to the Pension Fund Committee and S151 officer.
- 3.4 The S151 officer also takes appropriate advice from the Council's Director of Governance, the Fund Actuary and the Fund's strategic Investment Advisors.
- 3.5 The Local Pension Board assists the Council to deliver efficient governance and administration of the Fund and maintain compliance with regulations; best practice standards laid down by the national Scheme Advisory Board, the Pensions Regulator and relevant professional bodies.
- 3.6 A Pensions Consultative Forum, made up of representatives from participating employers, supports effective administration.
- 3.7 The Council reviews the discharge of its responsibilities through the Council's Audit and Governance Committee.

#### Investment Pooling

- 3.8 The LGPS Central investment pool is a partnership of Cheshire, Derbyshire, Leicestershire, Nottinghamshire, Shropshire, Staffordshire, Wolverhampton City and Worcestershire councils to deliver investment pooling. The councils are equal shareholders in LGPS Central Ltd, a wholly owned, arms-length Investment Management Company, regulated by the Financial Conduct Authority (FCA).
- 3.9 A Joint Committee oversees the operation and collective investment performance of the pool. The Fund's representative on the Joint Committee is the Chair of the Pension Fund Committee.
- 3.10 Partner funds, as joint shareholders, oversee LGPS Central Ltd. via a Shareholders Forum. The Fund's shareholder representative is the Council's Cabinet Member for Finance and Legal Services.



- 3.11 The Joint Committee and Shareholder Forum are supported by a working group of officers comprising the s151 Officers and senior pension officers from the partner funds, known as the Practitioners Advisory Group.

#### **National oversight**

- 3.12 The LGPS is a national, statutory regulated scheme. The Ministry for Housing, Communities and Local Government (MHCLG) is the Government Department responsible for the LGPS.
- 3.13 The Scheme Advisory Board, a statutory board set up by the Pensions Schemes Act 2013, seeks to encourage best practice, increase transparency and coordinate technical and standards issues across the LGPS.
- 3.14 The Pensions Regulator has had oversight of all public sector pension schemes, including the LGPS since 2015.

#### **Extended Representation**

- 3.15 The Fund is represented on the Scheme Advisory Board, Investment and Governance Committee, and is the national lead with MHCLG for the Society of County Treasurers (which represents the 37 County LGPS funds) on LGPS related matters.



## 4. LOCAL DEVELOPMENTS

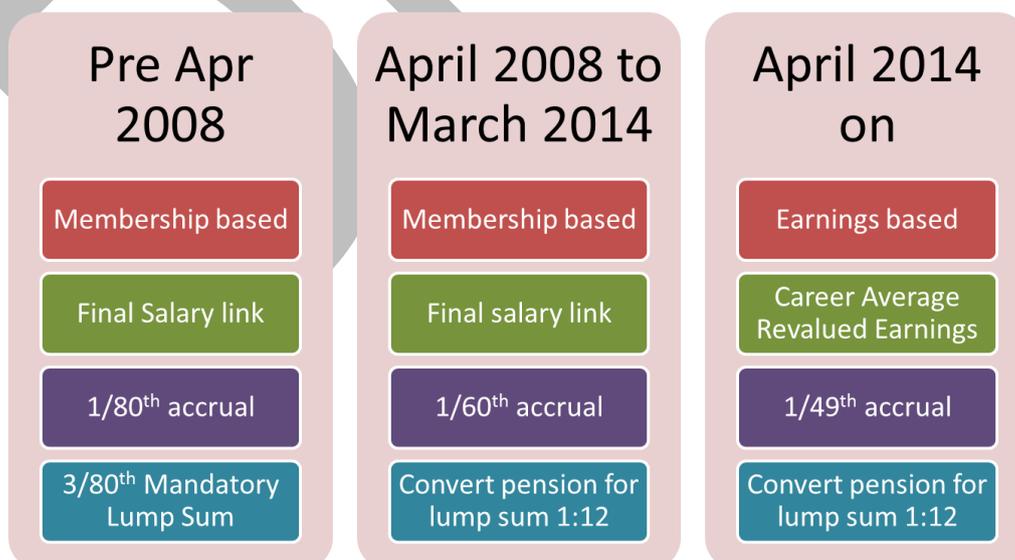
4.1 A number of local developments guide the plan and its priorities – these are described further below.

### Scheme Membership

- 4.2 The employer landscape continues to change. Fewer large employers and an increase in the number of smaller employers, with more diverse financial and operational objectives, require a differentiated, funding and relationship management model.
- 4.3 Continued budgetary pressures facing public bodies, and changes to the funding and regulatory framework for some sectors increase the need for tighter monitoring of employer covenants and exposure to employer risk. Increasingly employers expect a more flexible approach to the management of ‘exit’ strategies for those who no longer wish to, or cannot afford to continue to participate in the LGPS.
- 4.4 The pace of change within the workforce continues, with changing career and lifestyle patterns (including part-time working and multiple employments), necessitating a more flexible and customer orientated approach.

### Complexity

4.5 The LGPS is in effect now made up of three separate benefit structures as summarised below



4.6 This complexity adds significantly to the benefits administration caseload to be managed each year.



### Data Quality and Security

- 4.7 Scheme complexity coupled with more challenging data transparency and disclosure requirements means that data quality is a key priority.
- 4.8 Specific monitoring of data quality by the Pensions Regulator will continue with expectations of continuous improvement in standards. Clean data is also essential for process efficiency and automation, and a critical pre-requisite for 'self-service'.
- 4.9 Employers are key in providing the Fund with a reliable flow of accurate and timely data, along with up to date systems and robust procedures for data transmission, validation and processing.
- 4.10 Improvements, focussed on streamlining and standardising data channels and more robust data validation at source are ongoing but require constant monitoring.
- 4.11 General Data Protection Regulations introduced in 2018 and increasing public concern regarding cyber security are reflected in regular reviews of data security and safe custody arrangements. A Fund specific cyber-security policy will be developed.

### Digital Challenge

- 4.12 Fund members and employers increasingly expect to be able to use digital and on-line media to interact with the Fund, and for services to be accessible remotely and outside normal business hours. Improved member and employer "self-serve" opportunities will be developed during the period of the plan.
- 4.13 The Fund's day to day operations need to contribute to reducing its carbon footprint, particularly reducing the amount of paper consumed by exploiting the efficiency and cost benefits of communicating and working digitally.

### Fund Maturity and Cash Flows

- 4.14 Fund membership is changing with balance between retired and active members shifting as life expectancy improves.
- 4.15 Improved local funding levels have shifted the focus from deficit management to protecting the funding gains made to date whilst balancing the need for ongoing investment growth to keep pace with pension liabilities.
- 4.16 Cash flow management is increasingly important to meet pensions in payment and ensure future cash flows and liabilities are appropriately matched.



### Value for Money

- 4.17 The Good Governance review highlighted the importance of ensuring that the resources and budget allocated to deliver the LGPS service are sufficient.
- 4.18 Given the continued increases in regulatory expectations, growth in scheme membership and number of participating employers, it is important to regularly review the local resources allocated to administering the Fund.
- 4.19 Particular areas of focus in the coming year will include; ensuring resourcing to delivery customer facing activity within key performance targets; strengthening governance and communications and ongoing support to deliver investment pooling.
- 4.20 Overall value for money will continue as an important focus and the Fund will continue to actively participate in cost benchmarking reviews and seek out opportunities for cost efficiency with other LGPS funds.
- 4.21 The Fund needs a multi-skilled and agile workforce if standards of service and customer care are to reach the target levels. This requires investment in training, personal and team development and succession management, as well as technology and automation.

## 5. KEY FACTS AND FIGURES

- 5.1 Some helpful key facts and figures about the fund are shown below

As at March 2020:

	March 2018	March 2019	March 2020
Assets of the Fund	£5.22bn	£5.32bn	£5.80bn
Contributing Employers	277	287	302
Contributing Members	38,500	39,271	44,602
Members receiving a pension	27,700	28,705	29,863
Total benefit payments	£174m	£179m	£190m
Contributions from members and employers totalled	£214m	£146m	£164m

## 6. INVESTMENT POOLING

- 6.1 The Fund and its seven partner funds in the LGPS Central Pool continue to deliver investment pooling through the jointly owned LGPS Central Ltd.
- 6.2 The eight partner funds and LGPS Central Ltd have agreed shared pooling objectives for the company which are to;
- i. Meet the investment objectives of the Participating Funds
  - ii. Establish a collaborative platform through which administering authorities of the Participating Funds can aggregate their pension assets with a view to providing scale economies and improved investment efficiency
  - iii. Develop internal investment management capabilities for the collective benefit of the Participating Funds, in order to provide wider investment choice and market competition
  - iv. Create capacity to invest in asset classes which individual Funds may find difficult to access
  - v. Stimulate innovation, and provide an opportunity for Funds to engage with the investment industry in finding new and creative approaches to the funding challenges faced by the LGPS (and the wider pensions sector)
  - vi. Act as a responsible, long term investor, using its influence as a shareholder to promote the highest standards of corporate stewardship
  - vii. Create a regional centre of excellence for investment management, able (in the long term) to offer services to other pension funds, charities and endowments
  - viii. Following transitioning arrangements, to invest each Shareholder's pension assets either through the ACS operated by LGPS Central, as the primary and exclusive collective investment vehicle for all eligible pension assets, or by appointing LGPS Central to manage any non-eligible pension assets outside of such ACS.
- 6.3 The Central pool continues to make progress to deliver these objectives, including target savings in investment fees of £250m over the next 15 years.
- 6.4 Establishing new collective investment products, implementing expected national pooling guidance, transitioning assets alongside pooling governance and oversight will continue to be key activity for the Fund.





## 7. NATIONAL DEVELOPMENTS

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7.1 As referenced in the introduction, the LGPS is subject to ongoing change, some of the key national developments which will impact the plan are summarised below

### Good Governance Review

7.2 The Scheme Advisory Board (SAB) has commissioned a Good Governance Review of the LGPS. The review has two strands:

- (a) Standards and Outcomes– focussed on specifying clearly the outcomes and standards that the SAB wishes to see achieved by funds under the proposed approach and how these outcomes should be evidenced.
- (b) Compliance and Improvement– focussed on establishing the compliance regime that will be required to independently assess funds against this framework.

7.3 The review is ongoing at the time of writing this plan but the SAB accepts its recommendations. MHCLG will in due course produce statutory guidance to establish new governance requirements for funds to implement the proposals within the report.

### Impact of the McCloud and Sargeant Judgements

7.4 In December 2018, the Court of Appeal ruled against the Government, holding that changes made to pension schemes discriminated against a group of firefighters (Sargeant Case) and a group of judges (McCloud case) on the grounds of age.

7.5 Briefly, the court found that transitional protections offered to older judges and firefighters in their respective pension schemes, which were intended to cushion them from changes being made to future pension benefits, were directly age discriminatory, on the basis that younger members of the schemes were offered no such protection.

7.6 The Government accepted that transitional protections introduced in other public sector pension schemes, including the LGPS, would need reviewing in the light of the ruling in these cases.

7.7 The Scheme Advisory Board is in discussions with the Government Actuaries Department (in their role as an adviser to the SAB) around the mechanics of how a remedy might work in the LGPS including the range of potential issues (both retrospective and ongoing) which could arise.

7.8 SAB has advised that decisions relating to members in scope, the extent of final salary service protection, the requirement for retrospection and the inclusion of ancillary benefits (transfers, survivors etc.) will be determined centrally.



- 7.9 SAB have further advised that any remedy is unlikely to be in place before March 2021.
- 7.10 A key issue for the Fund and participating employers is that a full history of part time hour changes and service break information from 1 April 2014 will be needed to recreate final salary service. This will be a significant administrative task for all concerned.
- 7.11 In some cases employers may no longer be able to access information required to rebuild final salary membership information e.g. because of a change in payroll provider. The Fund may need to develop and consult on a policy for how to resolve cases where scheme membership cannot be recovered so that the individual scheme member benefits can be paid when due.

### Cost Management in the LGPS

- 7.12 One objective of the Government's public service pension reforms was to ensure a fair balance of risks between scheme members and the taxpayer. To achieve this, the government established an employer cost cap mechanism in the new public service pension schemes. This provides a backstop protection to the taxpayer such that the risks associated with pension provision are shared with scheme members.
- 7.13 The cost cap applies only to changes which relate to members – such as changing expectations about life expectancy, salary growth or career paths.
- 7.14 If a future valuation shows that the costs of a scheme have risen more than 2% above the cap, or have fallen more than 2% below the cap, Government will take action to return costs to the level of the cap. If the cost cap is exceeded (up or down) then changes to LGPS scheme regulations may be introduced nationally and must be implemented locally.
- 7.15 The cost cap is suspended pending the outcome of discussions on the impact on the LGPS of the McCloud and Sargeant cases described above.

### Responsible Investment

- 7.16 Responsible investment within the LGPS is a growing area of activity and interest. The Fund's approach to Responsible Investment is set out in its Responsible Investment Policy, which was updated in March 2020, and is available on the Fund's website.
- 7.17 The Fund's policy takes account of guidance issued by the Scheme Advisory Board to the effect that:
- *The administering authority's power of investment must be exercised for investment purposes, and not for any wider purposes. Investment decisions must therefore be directed towards achieving a wide variety of suitable*



*investments, and to what is best for the financial position of the fund (balancing risk and return in the normal way);*

- *However, so long as that remains true, the precise choice of investment may be influenced by wider, social, ethical or environmental considerations, so long as that does not risk material financial detriment to the fund. In taking account of any such considerations, the administering authority may not prefer its own particular interests to those of other scheme employers, and should not seek to impose its particular views where those would not be widely shared by scheme employers and members (nor may other scheme employers impose their views open the administering authority).*

7.18 Further SAB guidance on Responsible Investment is awaited.

### **UK Stewardship Code**

7.19 The Financial Reporting Council has published its new Stewardship Code which took effect from 1 January 2020. The new Code significantly strengthens the existing one and places a new requirement on all signatories to produce an annual report explaining their stewardship activities and outcomes.

7.20 The Code sets out twelve Principles aimed at: (i) asset managers (i.e. those who have day-to-day responsibility for managing assets; and (ii) asset owners (i.e. institutional investors responsible for protecting and enhancing assets on behalf of beneficiaries e.g., occupational pension schemes);

7.21 The Code also includes six Principles aimed at service providers (i.e. organisations that do not manage investments directly but play a key role in providing services that enable clients to deliver quality stewardship, including, but not limited to, investment consultants, proxy advisors and data and research providers).

7.22 Each of the Principles is supported by reporting expectations that indicate the information that the FRC expects should be publicly reported in order for a relevant organisation to become a signatory. Organisations must submit their first Stewardship Reports based on the 2020 Code by 31 March 2021.

7.23 The Stewardship Code is voluntary but the Fund aims to be a full signatory to the Code transparently reporting its compliance with the principles set out in the Code.

### **Pension Regulator - New Combined Code of Practice**

7.24 A new combined Code of Practice is due to be launched by the Pensions Regulator.

7.25 This will replace Code of Practice 14 which sets out the requirements and standards the Pension Regulator sets for public sector pension scheme.



## 8. DELIVERY PLAN 2020 -24

- 8.1 The specific actions required to support delivery of the Fund's objectives and respond to local and national developments are set out in Appendix A.
- 8.2 Actions are grouped and numbered by reference to the Fund's three primary objectives as follows; G for Governance; A for Administration and Communication and F for Funding and Investments.
- 8.3 A detailed action plan for 2020-21 will be reported to Pension Fund Committee each quarter. Actions for later years will developed as more information becomes available, particularly in relation to national developments
- 8.4 The forecast budget requirement for 2020-21 is £4.613m; this is a net decrease on the approved budget for 2019/20 of £48,000 and is summarised below.

### Budget Summary

	2019/20	2020/21	Change
	£000	£000	£000
Employee costs	1,951	2,062	111
Premises	63	73	10
Transport	16	15	-1
Supplies & Services			
Operational	969	712	-256
LGPS Central Ltd	1,083	1,119	36
Actuarial Services	382	219	-163
Investment Advice	197	162	-35
Sub-total	2,631	2,213	-418
Contingency		250	250
<b>TOTAL</b>	<b>4,661</b>	<b>4,613</b>	<b>-48</b>



## Staffing and Workforce Development

- 8.5 In order to maximise the contribution from all our staff and provide opportunities for everyone to benefit from a successful and rewarding work experience, the Council provides an environment where all staff :-
- are encouraged and supported to demonstrate the Council's competencies of **T**eamwork, **H**onesty, **R**espect, **I**nnovation, **V**alue for Money and **E**mpowerment (THRIVE) and feel confident and enabled to play their role in meeting both the Fund's and the Council's objectives;
  - have clear roles, responsibilities and accountability.; have a personal development plan to equip them with the skills and knowledge required to fulfil their roles effectively, and to fulfil their potential and aspirations within the organisation; and,
  - where there is a strong succession plan to enable the business to sustain the skills and capabilities required for the future
- 8.6 In order to do this all staff will have:-
- key objectives, set on an annual basis and linked to the outcomes and objectives set out in this Business Plan
  - regular one-to-one meetings and performance appraisals with their line manager to review progress in achieving their objectives and the THRIVE competencies, and to identify any development issues
  - access to the Council's Contribution Related Rewards and Working Rewards
  - regular team and section meetings to keep them up to date on wider issues affecting the Pension Fund and the Council
  - opportunities to put forward their ideas and suggestions and help shape the business going forward
- 8.7 The Learning & Development Plan will guide structured collective and individual training to address identified needs in the following areas:
- Customer service
  - Management and Leadership
  - Performance management
  - Change and project management
  - GDPR and data security
- 8.8 On-going professional and technical training will be delivered through 'on the job' coaching and through the Chartered Institute of Payroll Professionals (CIPP) qualification and appropriate Apprenticeship Levy funded courses such as Workplace Pensions Administration.



## 9. FURTHER INFORMATION

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9.1 If you would like any further information about anything in or related to this business plan, please contact:

Maggie Sheppard  
Pension Fund Manager  
Cheshire West and Chester Council  
Tel: 01244 972188  
Email: [maggie.sheppard@cheshirewestandchester.gov.uk](mailto:maggie.sheppard@cheshirewestandchester.gov.uk)

9.2 For more information about the Cheshire Pension Fund, please contact our helpdesk as follows:

Tel: 01244 976000  
Email: [pensions@cheshirewestandchester.gov.uk](mailto:pensions@cheshirewestandchester.gov.uk)  
Write to us at  
Cheshire Pension Fund  
Cheshire West and Chester Council,  
Council Offices,  
4 Civic Way,  
Ellesmere Port,  
CH65 0BE

9.3 Our website contains all up to date information relating to the LGPS.

Please visit [www.cheshirepensionfund.org](http://www.cheshirepensionfund.org)

9.4 To promote accessibility for all, this document is available in other formats upon request.

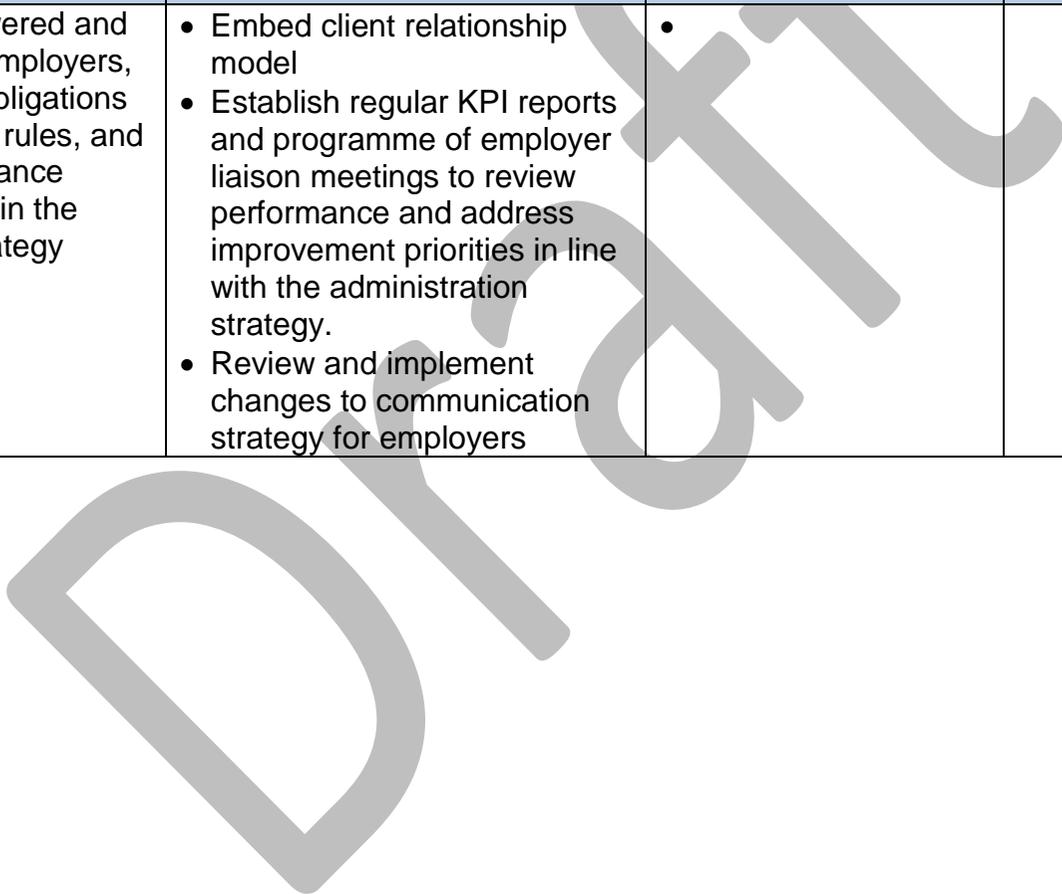


<u>Acronym</u>	<u>Meaning</u>	<u>Explanation</u>
CARE	Career Average Revalued Earnings.	The post 2014 core LGPS defined benefit pension scheme.
CIPFA	Chartered Institute of Public Finance and Accountancy	Professional institute for Accountants working in the public services. Provide best practice guidance and training to practitioners and advise the Government on Pensions policy.
CoP	Code of Practice	Written guidelines issued by an official body or a professional association to its members to help them comply with its ethical standards.
FCA	Financial Conduct Authority	The FCA regulates financial firms providing services to consumers and maintains the integrity of the UK's financial markets
FTE	Full Time Equivalent	Unit that indicates the workload of an employed person in a way that makes workloads comparable across various contexts.
GMP	Guaranteed Minimum Pension.	The minimum pension which a United Kingdom occupational pension scheme has to provide for those employees who were contracted out of the State Earnings-Related Pension Scheme (SERPS) between 6 April 1978 and 5 April 1997
THRIVE	Trust, Honesty, Respect, Innovation and Value for Money & Empowerment.	The Council's competency framework outlines the value-based behavioural competencies that will apply to all staff.
TPR	The Pensions Regulator	The national Regulator for all pension schemes
UPM	Universal Pensions Management	The Fund's pensions administration database.

ACTION PLAN 2020-24					
Action Plan Ref.	Outcome	2020-21 Delivery Targets/Priorities	2021 – 22 (Outline)	2022 – 23 (Outline)	2022 – 24 (Outline)
G1	Strong and effective decision making supported by appropriate skills, knowledge, advice and expertise at officer and member level.	<ul style="list-style-type: none"> <li>• Embed training plans to support key governance/decision making roles based on CIPFA Skills &amp; Knowledge Framework and MiFID2 requirements and in accordance with Good Governance outcomes.</li> <li>• Implement recommendations from national LGPS Good Governance review.</li> <li>• Implement recommendations from Barnett Waddingham review of CPF Governance.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue member training and skills development</li> </ul>	<ul style="list-style-type: none"> <li>• Continue member training and skills development.</li> <li>• Refresh the Training Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Continue member training and skills development</li> </ul>

<b>ACTION PLAN 2020-24</b>					
<b>Action Plan Ref.</b>	<b>Outcome</b>	<b>2020-21 Delivery Targets/Priorities</b>	<b>2021 – 22 (Outline)</b>	<b>2022 – 23 (Outline)</b>	<b>2022 – 24 (Outline)</b>
G2	Effective implementation of asset pooling, including realisation of target savings and benefits.	<ul style="list-style-type: none"> <li>Assess and implement pooling opportunities in accordance with LGPS Central transition programme.</li> <li>Work with partner funds and Central to shape new investment products to meet partner fund's requirements</li> <li>Implement statutory reporting changes to reflect implementation of pooling.</li> </ul>	<ul style="list-style-type: none"> <li>Continue transition of both liquid and illiquid assets.</li> </ul>	<ul style="list-style-type: none"> <li>Focus on unwind of illiquid assets such as Hedge Funds, Private Equity and Property.</li> </ul>	<ul style="list-style-type: none"> <li>Continued transition of residual assets to Central.</li> </ul>
G3	High levels of compliance with regulatory and best practice standards, evidenced by comprehensive and transparent reporting on all aspects of Fund performance and decision making.	<ul style="list-style-type: none"> <li>Increase the percentage of ABS statements issued on time.</li> <li>Implement Good Governance recommendations</li> <li>Implement any changes resulting from regulatory updates e.g. amendments to exit credit regime</li> <li>Implement any changes from Pension Regulator new Combined Code of Practice</li> </ul>	<ul style="list-style-type: none"> <li>Implement any changes resulting from regulatory updates</li> </ul>	<ul style="list-style-type: none"> <li>Implement any changes resulting from regulatory updates</li> </ul>	<ul style="list-style-type: none"> <li>Implement any changes resulting from regulatory updates</li> </ul>

ACTION PLAN 2020-24					
Action Plan Ref.	Outcome	2020-21 Delivery Targets/Priorities	2021 – 22 (Outline)	2022 – 23 (Outline)	2022 – 24 (Outline)
G4	Supported, empowered and enabled scheme employers, able to fulfil their obligations under the Scheme rules, and meet their performance obligations set out in the Administration Strategy	<ul style="list-style-type: none"> <li>• Embed client relationship model</li> <li>• Establish regular KPI reports and programme of employer liaison meetings to review performance and address improvement priorities in line with the administration strategy.</li> <li>• Review and implement changes to communication strategy for employers</li> </ul>			



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<b>Action Plan Ref.</b>	<b>Outcome</b>	<b>2020-21 Delivery Targets/Priorities</b>	<b>2021 – 22 (Outline)</b>	<b>2022 – 23 (Outline)</b>	<b>2022 – 24 (Outline)</b>
G5	Strong and effective client and contract management arrangements for all third party contracts and supply agreements demonstrating effective partnership and value for money.	<ul style="list-style-type: none"> <li>Review existing Investment Consultancy contract with Mercer (initial 2 year period expires Sept 2020) and consider whether to trigger 1/2 year extension period.</li> <li>Retender actuarial advice contract.</li> <li>Manage any transition in actuarial arrangements.</li> <li>Retender administration database contract – migrate to cloud based platform</li> <li>Review payroll provider arrangements, consider integrated solution.</li> </ul>	<ul style="list-style-type: none"> <li>Custodian arrangements – review current arrangements and consider transition to consolidate arrangements with Central at an appropriate time and cost</li> </ul>	<ul style="list-style-type: none"> <li>Retender Investment Consultancy contract</li> </ul>	

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<b>Action Plan Ref.</b>	<b>Outcome</b>	<b>2020-21 Delivery Targets/Priorities</b>	<b>2021 – 22 (Outline)</b>	<b>2022 – 23 (Outline)</b>	<b>2022 – 24 (Outline)</b>
A1	Digitally enabled interaction and communication with employers and members, delivered on a self-serve basis, and in a timely and customer-focussed manner; to enable effective member and employer decision making.	<ul style="list-style-type: none"> <li>• Commence introduction of Member Self-Serve</li> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce online calculators and modellers to allow members to complete their own estimates</li> <li>• Develop and embed Member Self-Serve</li> <li>• Produce ABS statements online.</li> </ul>		
A2	Agile customer focussed, operating model, based on multi-skilled roles with strong supporting specialisms; able to respond to changing workloads and customer demands	<ul style="list-style-type: none"> <li>• Deliver customer service training programme for all staff.</li> <li>• Further work to Reduce/eliminate casework backlogs.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement McCloud outcome</li> </ul>		
A3	Optimal use of technology and automation to support secure and efficient transmission of high quality data and intelligence - led business operations.	<ul style="list-style-type: none"> <li>• Complete roll out of Monthly Interfacing.</li> <li>• Assess and develop opportunities for process automation.</li> <li>• Improve Data Quality scores, as required by tPR.</li> </ul>	<ul style="list-style-type: none"> <li>• Continue with automation of standard casework processes</li> </ul>		

<b>ACTION PLAN 2020-24</b>					
<b>Action Plan Ref.</b>	<b>Outcome</b>	<b>2020-21 Delivery Targets/Priorities</b>	<b>2021 – 22 (Outline)</b>	<b>2022 – 23 (Outline)</b>	<b>2022 – 24 (Outline)</b>
F1	Effective investment allocation, risk management and stewardship delivering positive, sustainable returns in line with long term funding targets.	<ul style="list-style-type: none"> <li>• Assets transfer to LGPS central with clear and challenging performance targets.</li> <li>• Implementation of revised strategic asset allocation model as set out in final Investment Strategy Statement published in April 2020.</li> <li>• Produce the Fund’s first Climate Change Stewardship report to manage any significant risks identified in portfolio.</li> </ul>	<ul style="list-style-type: none"> <li>• Report on progress in delivering Annual Climate Change stewardship plan targets.</li> </ul>		
F2	Flexible and intelligence-led employer contribution strategy and funding solutions, which recognise the disparate objectives and characteristics of the Fund’s growing employer base.	<ul style="list-style-type: none"> <li>• Implement any revisions to risk – based framework</li> <li>• Implement 2019 triennial valuation</li> <li>• Continue discussions with employers to obtain additional security in favour of the Fund</li> </ul>	<ul style="list-style-type: none"> <li>• Continue discussions with employers to obtain additional security in favour of the Fund</li> <li>• Agree plan, strategy and approach for 2022 valuation</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake 2022 valuation</li> </ul>	

ACTION PLAN 2020-24					
Action Plan Ref.	Outcome	2020-21 Delivery Targets/Priorities	2021 – 22 (Outline)	2022 – 23 (Outline)	2022 – 24 (Outline)
F3	Competitive and sustainable cost base, demonstrating value for money over time and compared against peers.	<ul style="list-style-type: none"> <li>• Implement new financial systems/ procedures (B4B)</li> <li>• Contribute to SAB Coast Transparency Initiative</li> </ul>			

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