

Suffolk Pension Fund Business Plan 2016/17



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Introduction

1. The Local Government Pension Scheme (LGPS) provides pension benefits for certain employees within local government. It is governed by statute and the statutory responsibility for regulating the scheme lies with the Minister of State for the Department for Communities and Local Government.
2. The Suffolk LGPS Pension Fund is administered by Suffolk County Council with the statutory responsibilities for the scheme fulfilled by delegating the necessary powers to the Pension Fund Committee.
3. The Scheme is open to all County Council employees (except teachers and fire fighters who have their own scheme), employees of the Suffolk district councils and employees of certain other public bodies (known as scheduled bodies) within Suffolk.
4. Parish and Town Councils may decide by designation to allow their employees to join the Pension Fund. The regulations also permit the Pension Fund Committee to admit to the Fund certain other bodies which provide public services.
5. All local government employees automatically become members of the scheme unless they choose to opt out.
6. The Business Plan deals with the management of the Pension Fund Committee's responsibilities for the Fund for the coming year.

Objectives

7. The Fund's investment strategy seeks to optimise the long-term investment return, in line with the level of risk that is considered appropriate in the light of the funding strategy.
8. The Fund's funding strategy seeks to minimise the employer contributions that are required, subject to taking a prudent long-term approach to funding the liabilities of the Fund and ensuring that employer contribution rates are stabilised as far as possible.
9. The Fund's administration strategy seeks to deliver a high quality service for the administration of scheme benefits for the members (employees and pensioners) of the Fund.

ACTION PLAN 2016/17

10. The key areas where action will be undertaken over the next 12 months are set out overleaf.

ACTION PLAN 2016/17

Review of Strategic Asset Allocation and Investment Strategy

1. The Committee will review its strategic asset allocation and investment strategy, with the assistance of its investment advisers, Hymans Robertson and its independent adviser Mark Stevens.
2. The Committee will work with the ACCESS group to form a pool with other Funds that meets the Governments criteria for cost saving, whilst protecting the investment returns of the Suffolk Fund

Monitoring of Investment Performance

3. The Committee will continue to review the investment performance of the Fund as a whole and its investment managers on a quarterly basis.

Actuarial Valuation and Funding Strategy

4. The Committee will continue to monitor the actuarial position of the Fund on a quarterly basis.
5. The Committee will review the Funds Funding Strategy and set contribution rates for all employers in the Fund for the three years starting April 2017, following the completion of the triennial actuarial valuation.

Governance

6. The Committee will continue to review its overall governance arrangements for the management of the Suffolk Pension Fund.
7. The Committee will work with the ACCESS group to form a pool with appropriate governance and voting rights that both meet the expectations of the Government's reforms and those of individual Funds.
8. The Committee will annually review the training programme to ensure Pension Fund Committee members (and officers) develop their knowledge on pension issues
9. The Committee will keep the risks in the Fund's risk register under review.

Reporting and Communication

10. The Committee will report on performance to the Fund employers in September 2016. The Committee will publish the Fund's annual report and accounts for 2015/16 to comply with the statutory deadline of 1 December 2016.
11. The Committee will review the Fund's approach to communication in order to help improve understanding of the local government pension scheme among employers and scheme members.

Administration

12. The Committee will make arrangements for the procurement of its future share voting service provider.
13. The Committee will review value for money in the Fund's operations by benchmarking of costs and by monitoring of service performance against agreed performance targets

Review

14. The Committee will review progress against the Business Plan on at least an annual basis, with the next scheduled review at the Committee's March 2017 meeting.

Review of Action Plan 2015/16

11. The Committee agreed the Business Plan for 2015/16 at its meeting on 23 March 2015. The key actions that were agreed and the progress that has been made against them are set out below.

Asset allocation and investment strategy

12. The Committee completed its review of Private Equity and decided to restart the Fund's private equity programme of investments with Pantheon. The first draw-downs of commitments were made during 2015/16.
13. The Committee undertook its Asset Allocation Review in November 2015. This resulted in the removal of Bluecrest due to issues over fees. The Committee will decide on the allocation of this money at its meeting on the 24 February 2016. The Bluecrest investment was partly returned in January 2016, with the remainder being repaid later in the year.
14. The Committee approved the Suffolk Fund being involved in a joint project with twenty four other LGPS Funds to provide Government with an evidence based report on the their pooling proposals.
15. The Committee at its January meeting agreed that the Suffolk Pension Fund should join the ACCESS group to create a pool that meets the Government's published criteria.

Monitoring of investment performance

16. The Committee reviewed the investment performance of the Fund on a quarterly basis during 2015/16. This included reports from both the Investment advisors (Hymans Robertson and Mark Stevens) and State Street Global Services (covering performance).

Actuarial Valuation and Funding Strategy

17. The Committee has received reports on the actuarial position of the Fund on a quarterly basis. The most recent information on actuarial position, as at December 2015, was a funding level of 81.7% (compared with 79.1% at March 2013). The next triennial actuarial valuation will take place as at March 2016.

Governance

18. The Suffolk Pension Board was created in July 2015, and had its first meeting on 24 July 2015, meeting the 31 July deadline. The Board has met on a further two occasions and its next meeting is scheduled for the 11 March 2016.
19. Mark Stevens' role as Independent advisor to the Committee continued through 2015/16.
20. The Committee agreed a training programme for the year which has delivered one full day training session in London, and five pre committee meeting sessions. These have been well attended by the Committee members.
21. The Committee has reviewed the risk register on three occasions during the year and at the 27 January meeting completed a full review of the risks in line with the new guidance from the Pensions Regulator.

Reporting and Communication

22. The Committee reported to the Fund employers at the annual pension fund meeting in October 2015. The Pension Fund Annual Report and Accounts for 2014/15 was published on the Pension Fund's website in September 2015.
23. The Pension Fund has established a dedicated website page for communication with scheme members and employers on issues affecting the scheme (www.suffolkpensionfund.org).
24. The communication policy will be reviewed at the June 2016 Pension Fund Committee meeting, once the Pension Board has considered its communication plans at its March meeting.

Administration

25. The Fund completed a tendering process for Actuarial and Investment advice services, which was awarded to Hymans Robertson. The new contracts run until 2020.
26. The Fund agreed to procure the administration software (Heywood) collaboratively with the Norfolk and Dorset Pension Funds. Contracts will be signed by 31 March 2016.

27. The Proxy Voting contract has been extended for 6 months while a national framework is put in place to procure these services. Suffolk is taking an active part in the development of this framework.