

Report Title:	Pension Fund Business Plan 2021/22
Contains Confidential or Exempt Information	No - Part 1
Lead Member:	Councillor Julian Sharpe, Chairman Pension Fund Committee and Advisory Panel
Meeting and Date:	Pension Fund Committee and Advisory Panel – 22 March 2021
Responsible Officer(s):	Kevin Taylor, Pension Services Manager
Wards affected:	None

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REPORT SUMMARY

This report presents the Pension Fund Business Plan for 2021/22 and medium term strategy for 2022 to 2025.

It recommends that Committee approve this business plan and authorises Officers to publish it on the Pension Fund website.

1. DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That the Pension Fund Committee:

- i) Approves the Business Plan and Medium Term Strategy and**
- ii) Authorises Officers to publish it on the Pension Fund website**

2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The publication of the Pension Fund Business Plan and Medium Term Strategy demonstrates that the Fund is properly governed, managed and that appropriate controls are in place.

3. KEY IMPLICATIONS

- 3.1 The Business Plan and Medium Term Strategy defines desired outcomes by objective and Officers will report achievement against these objectives.

4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 Not applicable.

5. LEGAL IMPLICATIONS

- 5.1 None.

6. RISK MANAGEMENT

6.1 Good governance reduces the risk of intervention by The Pensions Regulator.

7. POTENTIAL IMPACTS

7.1 Equalities: Equality Impact Assessments are published on the [council's website](#) . N/A

7.2 Climate change/sustainability: N/A

7.3 Data Protection/GDPR. N/A

8. CONSULTATION

8.1 None

9. TIMETABLE FOR IMPLEMENTATION

9.1 1 April 2021.

10. APPENDICES

10.1 This report is supported by 1 appendix:

- Appendix 1 – Draft Business Plan 2021/22.

11. BACKGROUND DOCUMENTS

11.1 This report is supported by 0 background documents:

12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Date returned
Cllr Julian Sharpe	Chairman – Berkshire Pension Fund Committee		
Adele Taylor	Director of Resources and Section 151 Officer		
Ian Coleman	Interim Pension Fund Manager		

REPORT HISTORY

Decision type:	Urgency item?	To follow item?
Pension Fund Committee decision	Yes/No	Yes/No



BUSINESS PLAN 2021-22

And

MEDIUM-TERM STRATEGY 2022/2025



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1.0 INTRODUCTION

This document is intended to outline how the Royal County of Berkshire Pension Fund will deal with its key responsibilities during 2021/22 and the over the medium-term from 2022 to 2025. The Administering Authority to the Royal County of Berkshire Pension Fund is the Royal Borough of Windsor & Maidenhead (RBWM).

The Business Plan will be used to guide and direct the Fund, provide clarity and alignment on goals and objectives and establish key initiatives for the forthcoming year. In addition, it is available to all stakeholders to better understand what the Fund is planning to do to provide an efficient service across the County of Berkshire whilst supporting the overall corporate aims of RBWM as the Administering Authority to the Pension Fund.

This Business Plan will be updated annually and presented to the Pension Fund Committee for adoption. The plan will also review the previous year's plan and detail whether the objectives therein were met.

2.0 STRATEGIC INTENT – MISSION STATEMENT

The Royal County of Berkshire Pension Fund aims:

To deliver an efficient pension service to all stakeholders in the Fund that:

- *Is cost effective, high quality, innovative and fit for purpose;*
- *Ensures that Scheme members receive the right benefits at the right time;*
- *Ensures Scheme members are kept informed about their benefits and changes in regulations which will affect them;*
- *Recognises that pensions are an important part of employees' reward packages which assists employers to deliver their strategic goals;*
- *Provides staff in the Pension Fund team with a satisfying work environment and career development path.*

3.0 BUSINESS OBJECTIVES

The business objectives for the Pension Fund team are directly aligned to the Council's corporate aims, as follows:

Business Aim	Business Objective
<i>Stakeholder Satisfaction</i>	To deliver an effective pension service that meets the expectations of Scheme members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.
<i>Value for Money</i>	To set an investment strategy that achieves the medium-term investment return objective. Achieve value for money in all contracts. Manage all other direct Fund costs associated with the

	<p>Fund and paying pension benefits.</p> <p>To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.</p>
<i>Equip Ourselves for the Future</i>	<p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are effectively performance managed and developed.</p> <p>To transform, develop and improve the Pension Team through creating an evidence-based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p>
<i>Delivering Together</i>	<p>To work together with Elected Members to deliver the goals and objectives of the Pension Fund Committee, to be measured by positive feedback from Lead Members.</p>

4.0 VALUES

The Pension Team will adopt the following values and behaviours:

- There will be no ‘ambushing’ or surprises - discuss first before raising in public;
- We will always be realistic when negotiating timescales and be considerate of other’s priorities and time;
- Everyone’s view matters and we will always give credit where it is due;
- We will share information, be inclusive and supportive and back each other up;
- We will always consider Scheme members and other stakeholders in everything we do;
- We will always look to do something rather than find ways not do it and we will always look to support a reasonable request;
- We will accept being challenged and only challenge ideas not people;
- We will always deal with issues and not let them fester;
- We will always lead by example;
- We will use electronic/digital forms of communication wherever possible but will always use a stakeholder’s preferred method of contact where possible whether that be face to face, via telephone or email;
- We will always respect each other and work together to meet the Fund’s objectives;

- We will promote and celebrate success;
- We will take full responsibility for our actions.

5.0 BUSINESS TARGETS 2021/22

Pension Team Business Objective	2021/22 Target
To deliver the requirements and objectives set out in the independent governance review undertaken in 2020/21 including the appointment of a Head of Pension Fund	To appoint a Head of Pension Fund as soon as is practically possible.
To review the Pension Team structure to ensure greater resilience and reduce risks incurred by the loss of key staff.	To review all key areas and set out a strategy by July 2021 for achieving the business aim of full resilience by 31 March 2022.
To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.	All annual benefits statements to be issued on time. 95% of critical service standards achieved (stretch 100%). 90% of non-critical service standards to be achieved (stretch of 95%).
To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.	Positive feedback from internal and external auditors that controls are better than in previous years. To maintain robust business continuity, disaster recovery and emergency plans for all areas. Reduce risk profile of the Pension Fund.
To maintain Integrated Risk Management into the management of the Fund	Work with our key stakeholders in identifying at risk scheme employers.
To manage staff effectively in order to deliver high levels of morale, ensuring all staff are effectively performance managed and developed by ensuring sickness rates are low, aligned objectives are set for all staff, performance appraisals are undertaken and poor performers are dealt with appropriately.	All staff appraisals to be undertaken within required deadlines and areas for improvement identified with relevant objectives being set and monitored by managers.
To transform, develop and improve the pension teams through creating an evidence-based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.	Deliver 90% of tasks within the pension teams' operational plan (stretch of 95%). Deliver all agreed programmes and projects to time and budget.
To work together with Elected Members to deliver the goals and objectives of the	Positive feedback from Lead Members on performance and engagement.

Pension Fund Committee, to be measured by positive feedback from Lead Members.	
To work with the Fund's Investment Manager, (LPPI) to ensure the Investment Strategy is successful.	Investment aims are met and in line with the Investment Strategy Statement and Asset Allocation requirements.

6.0 KEY ASSUMPTIONS AND RISKS

The following are the key business assumptions used in the compilation of the 2021/22 budget:

- Sufficient staff resources are available and committed to deliver business as usual and agreed projects, with key posts filled if they become vacant;
- The gap between benefits payable and contributions received will grow in the medium-term thereby requiring the investment portfolio to generate a level of investment income sufficient to meet that gap to avoid the need to sell investments at an inopportune time;
- Staff turnover is as expected otherwise the Pension Team will struggle to meet its obligations to stakeholders;
- That performance targets remain as agreed;
- That central support resources are available to support the Pension Team;
- Changes to legislation do not adversely impact on the operation of the Pension Fund;
- Training and development resources are available;
- FOI and DPA requests will not increase;
- Number of schools converting to academies and the number of new employers admitted to the Fund will remain in-line with previous years' experience.

7.0 KEY INITIATIVES 2020/21

Business Objective	Key Initiatives
To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.	<p>Ensure that Pension Administration Software is kept up to date.</p> <p>To continue to work with Scheme employers to increase the percentage of member records administered via i-Connect from 85% at March 2021 to 100% at 31 March 2022.</p> <p>Annual review of the Pension Administration Strategy.</p>

	<p>Annual review of Communications Policy with the continuing aim to provide Scheme information digitally wherever possible.</p> <p>Keep members up to date via newsletters and Scheme employers up to date via bulletins.</p> <p>Run Pension Surgeries at least twice annually for each Unitary Authority and at least once a year for other Scheme employers upon request.</p> <p>Continue to provide training and literature for Scheme employers to assist them in administering the Scheme on behalf of their employees.</p> <p>Continue to provide presentations and literature for Scheme members to provide greater understanding of their Scheme.</p> <p>Maintain the Pension Fund website to the highest standards ensuring that all information is current and accurate.</p> <p>Ensure the continued development and best use of Member Self Service to the highest possible standard primarily in line with scheme and pension software supplier changes but also endeavouring to reduce printing and postal costs.</p> <p>Continue to improve data quality in line with tPR recommendations in respect of Common and Scheme Specific data.</p>
<p>To set an investment strategy in such a way as to achieve the medium-term investment return objective with minimal loss of capital, achieve value for money in all contracts and manage all other direct costs in managing the fund and paying benefits.</p>	<p>Continue to be an Investment Client of Local Pensions Partnership Investment Limited (LPPI) and ensure they implement the Investment Strategy as agreed by the Pension Fund Committee.</p> <p>Ensure that no fire-sale of assets is required to meet benefit payments.</p>
<p>To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.</p>	<p>Produce Annual Financial Statements so they can be published by 1 December 2021.</p> <p>Complete contributions reconciliation.</p> <p>Achieve a clean audit.</p> <p>Complete Year End procedures in advance of 31 August 2021 to enable prompt issue of</p>

	<p>annual benefit statements.</p> <p>Annual Benefit Statements (Active and Deferred members) to be issued by 31 August 2021.</p> <p>Apply Pensions Increase and HMT Revaluation Orders.</p> <p>Issue P60's and payslips by 31 May 2021 in line with statutory legislation.</p> <p>Service the Berkshire Pension Board to ensure they receive the information they require to discharge their obligations.</p> <p>Ensure that all Pension Fund policies are current.</p> <p>Ensure continuing compliance with the Pensions Regulator's Code of Practice number 14.</p> <p>Ensure continued compliance with General Data Protection Regulation (GDPR).</p> <p>Complete GMP Reconciliation in respect of Active and Deferred scheme members by 31 March 2022.</p>
<p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are performance managed with aligned objectives being set for all staff.</p>	<p>Monitor staff requirements to ensure a high-quality service is provided to stakeholders.</p>
<p>To transform, develop and improve the Pensions Team through creating an evidence based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p>	<p>Ensure that staff receive appropriate training internally and from external providers.</p>
<p>To work together with Elected Members to deliver the goals and objectives of the Pension Fund Committee, to be measured by positive feedback from Lead Members.</p>	<p>Ensure Pension Fund Committee, Advisory Panel and Pension Board members receive appropriate training.</p> <p>Ensure that Pension Fund Committee, Advisory Panel and Pension Board members understand the Fund's strategy.</p>

9.0 REVIEW OF 2020/21 KEY INITIATIVES

In 2020/21 we said that we would:

Business Objective	Key Initiatives	Outcome
<p>To deliver an effective pensions service that meets the expectations of members and other stakeholders as measured by a low number of complaints and adherence to agreed KPIs.</p>	<p>Ensure that Pension Administration Software is kept up to date.</p>	<p>Achieved</p>
	<p>Apply for PASA accreditation by April 2018 and to become fully accredited by December 2018.</p>	<p>Not achieved. To be reviewed by 31 March 2022 with an aim to achieve by 31 March 2024.</p>
	<p>To continue to work with Scheme employers to increase the percentage of member records administered via i-Connect from 85% at March 2020 to 100% by March 2021.</p>	<p>Not Achieved due to restrictions placed upon the working environment by Covid-19.</p>
	<p>Continual review of Service Level Agreements to ensure they remain current.</p>	<p>Achieved.</p>
	<p>Annual review of the Pension Administration Strategy.</p>	<p>Achieved.</p>
	<p>Annual review of Communications Policy with the continuing aim to provide Scheme information digitally wherever possible.</p>	<p>Not Achieved due to restrictions placed on meeting time as a result of Covid-19.</p>
	<p>Keep members up to date via newsletters and Scheme employers up to date via bulletins.</p>	<p>Achieved.</p>
	<p>Run Pension Surgeries at least twice annually for each Unitary Authority and at least once a year for other Scheme employers upon request. Continue to provide training and literature for Scheme employers to assist them in administering the Scheme on behalf of their employees.</p>	<p>Not Achieved due to restrictions placed on the working environment by Covid-19.</p>

	<p>Continue to provide presentations and literature for Scheme members to provide greater understanding of their Scheme.</p> <p>Maintain the Pension Fund website to the highest standards ensuring that all information is current and accurate.</p> <p>Ensure the continued development of Member Self Service to the highest possible standard and in line with scheme and pension software supplier changes.</p> <p>Continue the promotion and development of Employer Self Service (ESS) to enable Scheme employers to access the pension details of their own employees.</p>	<p>Partially Achieved. Full programme of presentations limited by the restrictions placed on the working environment by Covid-19.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p>
<p>To set the Investment Strategy of the Fund and determine the allocation assets.</p>	<p>Implement Investment Strategy as agreed by the Pension Fund Committee.</p> <p>Ensure that no fire-sale of assets is required to meet benefit payments.</p>	<p>Achieved.</p> <p>Achieved.</p>
<p>To ensure we always remain compliant with legislative and regulatory requirements, avoiding any financial penalties or negative publicity, identifying and reducing business risks and minimising any negative internal and external audit comments and feedback.</p>	<p>Produce Annual Financial Statements so they can be published by 1 December 2020.</p> <p>Complete contributions reconciliation.</p> <p>Achieve a clean audit.</p> <p>Complete Year End procedures in advance of 31 August 2020 to enable prompt issue of annual benefit statements.</p>	<p>Not achieved due to extension of external audit procedures.</p> <p>Achieved.</p> <p>No internal audit undertaken in 2020/21 as superseded by governance review required by external audit.</p> <p>Achieved.</p>

	<p>Annual Benefit Statements (Active and Deferred members) to be issued by 31 August 2020.</p> <p>Apply Pensions Increase and HMT Revaluation Orders. Issue P60's and payslips by 31 May 2020 in line with statutory legislation.</p> <p>Service the Berkshire Pension Board to ensure they receive the information they require to discharge their obligations.</p> <p>Ensure that all Pension Fund policies are current.</p> <p>Ensure continuing compliance with the Pensions Regulator's Code of Practice number 14.</p> <p>Ensure continued compliance with General Data Protection Regulation (GDPR).</p>	<p>Achieved.</p> <p>Achieved.</p> <p>Achieved.</p> <p>Achieved – Pension Committee work-plan introduced December 2020.</p> <p>Achieved.</p> <p>Achieved.</p>
<p>To manage staff effectively in order to deliver high levels of morale, ensuring all staff are performance managed and developed by ensuring sickness rates are reduced, aligned objectives are set for all staff, performance appraisals are undertaken and poor performers are appropriately dealt with.</p>	<p>Monitor staff requirements to ensure a high-quality service is provided to stakeholders.</p>	<p>Achieved.</p>
<p>To transform, develop and improve the Pensions Team through creating an evidence based continuous improvement culture and ensuring that all agreed projects and other initiatives are delivered to time and budget and achieve the expected benefits.</p>	<p>Ensure that staff receive appropriate training internally and from external providers.</p>	<p>Achieved.</p>

To work together with Elected Members to deliver the goals and objectives of the Pension Fund Committee, to be measured by positive feedback from Lead Members.	Ensure Pension Fund Committee, Advisory Panel and Pension Board members receive appropriate training.	Achieved.
	Ensure that Pension Fund Committee, Advisory Panel and Pension Board members understand the Fund's strategy.	Achieved.

10.0 MEDIUM TERM PLAN 2022/25

The following table details the medium-term plan for the Pension Fund for the period 2022 to 2025.

Objective	Rationale	Timescale
Investment Pooling.	Required by the Ministry for Housing, Communities and Local Government (MHCLG).	All investments to be pooled with Local Pensions Partnership Investments Limited (LPP) by the mid-2020's.
Attain accreditation to the Pensions Administration Standards Association (PASA).	Accreditation will confirm that the Pension Administration Team are adhering to industry best practice.	Accreditation to be achieved by 2024.
i-Connect	Will lead to improved quality of data held by Fund and increased efficiency of the service	100% (or maximum viable) achieved by 31 March 2022
Data Quality	High standards of data quality ensure correct calculation of pension benefits and provides all stakeholders with accurate real-time information.	Ongoing.
Maintain sufficient cash-flow to avoid fire-sale of assets to meet benefits payable	Avoid sale of assets at low process negatively impacting long-term sustainability of the Fund	On-going
Continuous review of investment strategy	Ensure that investment strategy is "fit for purpose"	On-going

Approved by Berkshire Pension Fund Panel: 22 March 2021
Date for review: March 2022