

2011/14 SERVICE PLAN APPENDIX 3

No.	Target 2010-11	Progress G = green A= Amber	Progress in 2010-11 and Targets for 2011-14
BENEFITS (1 - 8)			
1	Training and Development (APF and Employer staff)	G – c/f	<p>Pensions’ Staff: Training is ongoing within APF with a number of staff undertaking professional training and a variety of in-house courses available and regular coaching undertaken. This is now an integral part of the Administration Strategy and will also include Employer training</p> <p>Employers’ Staff: It is important that with the fast growing number of new employers joining the Fund (mainly due to the growing trend to outsource services) employers’ hands-on Payroll and HR staff that provide the service to the Fund are adequately trained. An on-line questionnaire has been sent to all Employers to identify the areas where training is needed. Following analysis employer training sessions will be put in place for 2011 and beyond.</p> <p>Resource impact - 2011/12 budget has allowed for the cost</p>
2	New Pensions Administration Strategy	G – c/f	<p>2008 LGPS Regulations enabled Administration Authorities to introduce a Pensions Administration Strategy to improve overall performance and particularly the relationship between the administering authority and Employers to provide a better service to members. The strategy includes the facility for the Fund to pass on additional costs for continual poor performing employers to reflect the disproportionate administration work needed to be done by the Fund. This was consulted on with Employers during September/October 2010 and the finalised Strategy was approved by the Avon Pension Fund Committee coming into effect on 1st April 2011.</p> <p>Resource impact - 2011/12 budget has allowed for the cost</p>
3	CHANGES (TECHNOLOGICAL ENHANCEMENTS)	G – complete	<p>Website face-lift/redesign completed in 2010. Further development opportunities for EDI and member self service were reviewed in 2010 with both Gandlake, Heywood and other providers</p>

4	Member Access & Employer Access	G – c/f	<p><u>Change to Member/Employer Access provider</u> Decision to move from Gandlake to Heywood for provision of member and employer electronic access (different times):</p> <ul style="list-style-type: none"> ❖ Member Access – change effected seamlessly for members in October 2010 ❖ Employer Access – removed in October 2010 and new facility for access is being rolled out to employers in March/April 2011. ❖ Previous secure portal which was a facility of <i>Gandlake</i> product to allow employers to send information to APF was replaced by <i>Globalscape</i> a product purchased by B&NES and available at lower cost than <i>Gandlake</i>.
5	Electronic Delivery of Information to members	New	Investigate areas where electronic delivery of information to members is feasible including Annual Benefit Statements, subject to sufficient security arrangements for personal information
6	Electronic Delivery of Information from employers to APF on data changes	A	<p>Bristol Council (40% of active membership) continues to work well but little progress in 2010 with other Employers.</p> <p>The engagement and development process was reviewed in 2010 and included within the overarching Administration Strategy for APF which was agreed with employers and approved by Avon Pension Fund Committee to be effective from April 2011.</p> <p>Deadlines agreed with Employers for full electronic delivery of all member data changes by April 2012 (medium/larger employers) and October 2012 for smaller employers</p> <p>Resource impact – 2011/12 budget has allowed for the cost</p>
7	Website – Employers Own	New	<p>Develop a stand-alone employers own website</p> <p>Resource impact - 2011/12 budget has allowed for the all costs where appropriate</p>
8	Altair – Major Software Upgrade	G-complete	AXIS (previous facility) is not being upgraded for future enhancement/benefit calc changes and

			<p>therefore agreed in 2009 to move to new Altair upgraded software. Went live in October 2011 without any major problems. Change was seamless from members' perspective and did not interrupt administration service although there was some initial downtime on the system which for a month or so resulted in worse than expected performance figures.</p> <p>Resource impact - 2011/12 budget has allowed for the cost</p>
9	Data Cleansing Project 2010 (for Actuarial Valuation)	G - complete	<p>Cleansing is an ongoing process but significant additional effort was made leading up to the valuation. A specific data cleansing team established in 2009 cleared the majority of data errors for the Actuarial Valuation in 2010.</p> <p>Resource impact – Contained within existing resources.</p>
10	Equalities	G - complete	<p>Following Equalities review in 2009, Council achieved <i>level 2 accreditation</i>. The Council has now decided to take a service based approach and in 2010 the Fund will not need to produce service impact assessments.</p> <p>No impact on resources</p>
11	<p>Partnership Working</p> <p>A. Actuarial and Investment Advice framework agreement</p> <p>B. Communication Materials</p>	<p>G – complete</p> <p>G – c/f</p>	<p>Framework agreement for actuarial and investment advice in progress through SW regional group.</p> <p>Collaboration with other SW local authority funds took place in 2010 considering the production of generic pamphlets / guides. It was agreed this was not advisable at this time and action would not be taken until new guides etc., post Hutton changes, were required.</p> <p>Resource impact – any cost savings from 1 will only materialise once current contracts expire.</p>

INVESTMENTS (12 – 17)			
12	Renew Custody Contract	G – c/f	<p>Custody contract to be tendered in 2011/12 as financial sector now more stable and changes to investment structure have been agreed.</p> <p>Resource impact – tender costs included in 2011/12 budget</p>
13	Review of Investment Strategy	G –c/f	<p>Final projects of 2009/10 strategic review in implementation stage with currency hedging mandate to be completed in 2011. There may be projects arising from the review of the hedge fund portfolio currently underway in 1Q11.</p> <p>Resource impact - 2011/12 budget has allowed for the cost of implementation and further hedge fund projects</p>
14	Actuarial valuation	G – completed	<p>Actuarial valuation as at 31 March 2010 will be finalised by 31 March 2011.</p> <p>Resource impact - actuarial costs for the 2010 valuation has been allowed for in the budget</p>
15	Review Corporate Governance policy	G – completed	<p>Manifest, a 3rd party voting agent, has been appointed to monitor the investment managers' voting activity and report periodically to Committee</p> <p>Resource impact – the ongoing cost of this service is provided for in the 2011-14 budgets</p>
16	Members Training	G – c/f	<p>Develop training policy for members based on the CIPFA Knowledge and Skills Framework.</p> <p>Resource impact – estimated costs included in 2011/12 budget.</p>
17	Review management of financial and investment risks	A – c/f	<p>Following triennial valuation consider review of management of financial and investment risks (e.g. interest rate, inflation and longevity hedging, employer specific liabilities). This will be delayed until CLG advise as to the potential impact on LGPS structure of the Hutton Commission.</p> <p>Resource impact – investment advice included in 3 year service plan budget</p>

18	Establish framework for self assessment of Committee's decision making process	G - completed	<p>Self assessment of the Fund's decision making process carried out in 2010 and areas for improvement identified and action plan agreed. Commitment by Fund to periodically undertake such assessment.</p> <p>Resource impact – none</p>
19	Review of Socially Responsible Investing (SRI) policy	New	<p>The Fund's current approach to SRI was agreed in 2001. Since then responsible investing has evolved significantly driven by legislation and investor demands. The Fund aspires to be a signatory of the UN PRI. The policy will be reviewed in 2011/12 to ensure the Fund's SRI policy is consistent with this objective.</p> <p>Resource impact – estimated costs included in 2011/12 budget.</p>
20	Monitoring of Scheme Employer Risks	New - ongoing	<p>The Employer Liaison team to ensure scheme employers understand their pension obligations in outsourcings/restructurings and they comply with the Fund's process for implementing an outsourcing.</p> <p>Investments/finance team to monitor financial position of scheme employers and legal structure following any restructuring / outsourcings and ensure bonds/guarantees in place where possible to manage any potential risk to the Fund.</p> <p>Resource impact – expect to deliver out of existing resources</p>