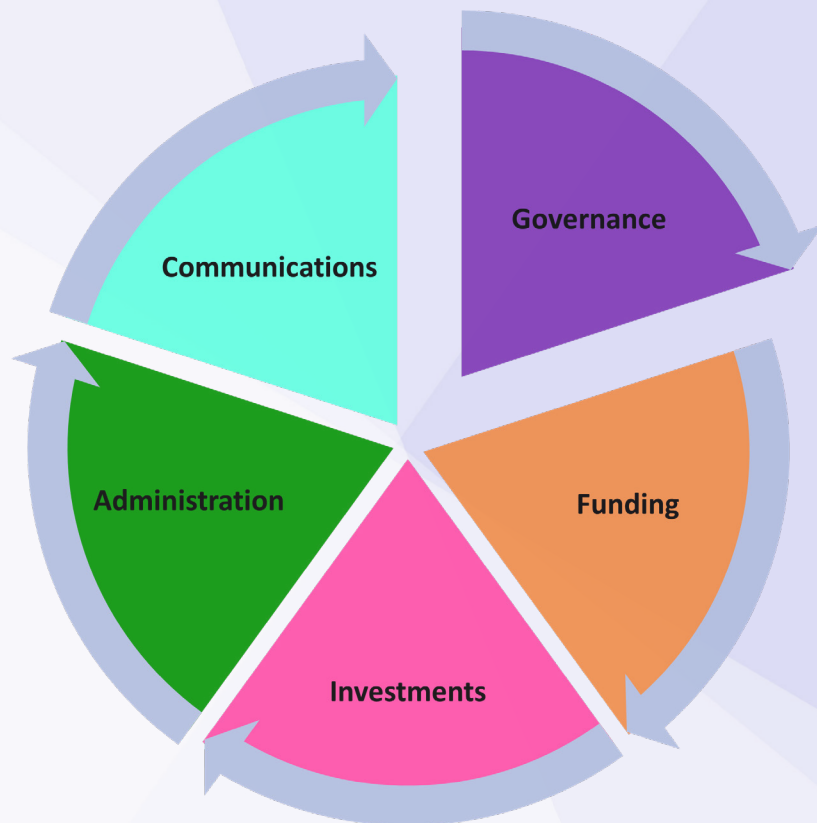


Essex Pension Fund

Business Continuity Policy

September 2024



Essex Pension Fund Business Continuity Policy



Background and Introduction

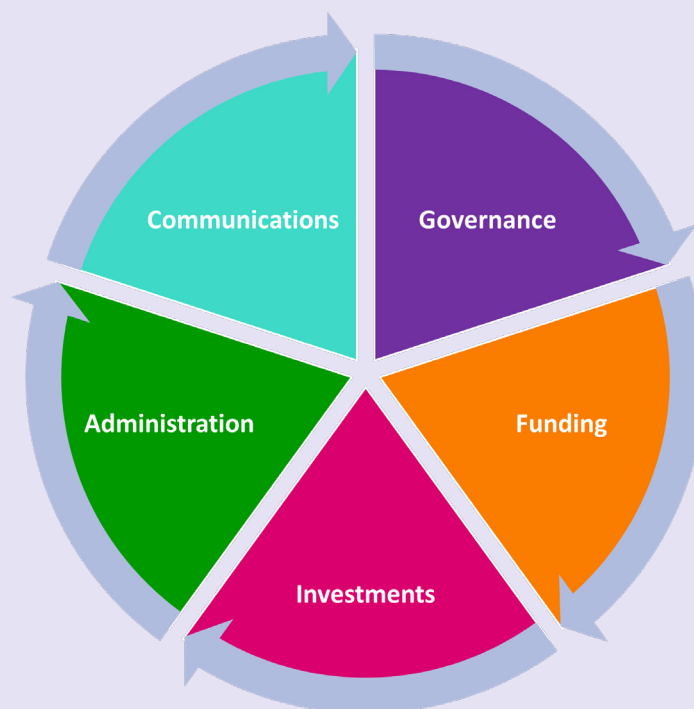
This Policy defines the Business Continuity Planning arrangements and impact assessment for Essex Pension Fund. This links into the Corporate Services Business Continuity Plan as part of the wider Essex County Council (ECC) Business Continuity and Disaster Recovery processes.

The aim of the Business Continuity Policy is to reduce the effects of any incident or event that could disrupt critical activities of the Essex Pension Fund (“**the Fund**”) and ensure either the continuation or smooth return to business as usual by the development of a Business Continuity Plan.

Responsibilities

The Fund has a number of responsibilities that are set out in either statutory regulations or pension legislation. The Fund has a timetable of activities across different areas which are covered by Legal, Statutory, Regulatory and Accounting Practices, on a monthly, annual or tri-annual basis. These key activities must be completed at certain points in time and have been incorporated into the Corporate Services Business Continuity Plan.

These activities are split across the five key areas of the Fund:





Incident Levels

There are a series of different prescribed incident levels, which act as a guide to determine the appropriate level of response from the Fund and are aligned to that of ECC.

Level	Incident Type	Incident Description
1	Minor Disruption	A situation whereby a Team's business delivery is disrupted but can be managed within the scope of their Individual Activity Report.
2	Service Disruption	A situation whereby a Service Area(s) within a Function is disrupted but can be managed within the scope of their Service Level Activity Report or Function Business Continuity Plan.
3	Business Continuity Incident	A situation whereby a service is unable to manage a business disruption using their Business Continuity Plan and/or a disruption which affects multiple Functions.
4	Crisis	A situation whereby a severe disruption is impacting a number of critical activities within the organisation which requires urgent action to limit the impact to service users, staff, and the reputation of the organisation.

Invocation

The Fund's Business Continuity Plan can be invoked by the Director for Essex Pension Fund, Heads of Service, or Team Manager¹ in the absence of the first two options, when an incident is determined to be Level 2 or above.

Prior to the formal invocation of the Fund's Business Continuity Plan, the following actions should be undertaken:

- Managers to conduct an initial assessment of the disruption/incident, using the incident level table above, to determine the incident level and produce a Situation Report (see Annex A);
- Team Manager to inform the Director for Essex Pension Fund and provide them with the situation report;
- Director for Essex Pension Fund to make the decision on invocation of the Business Continuity Plan; and
- Executive Director Corporate Services to be informed of the decision to invoke the Fund's Business Continuity Plan, if not already involved.

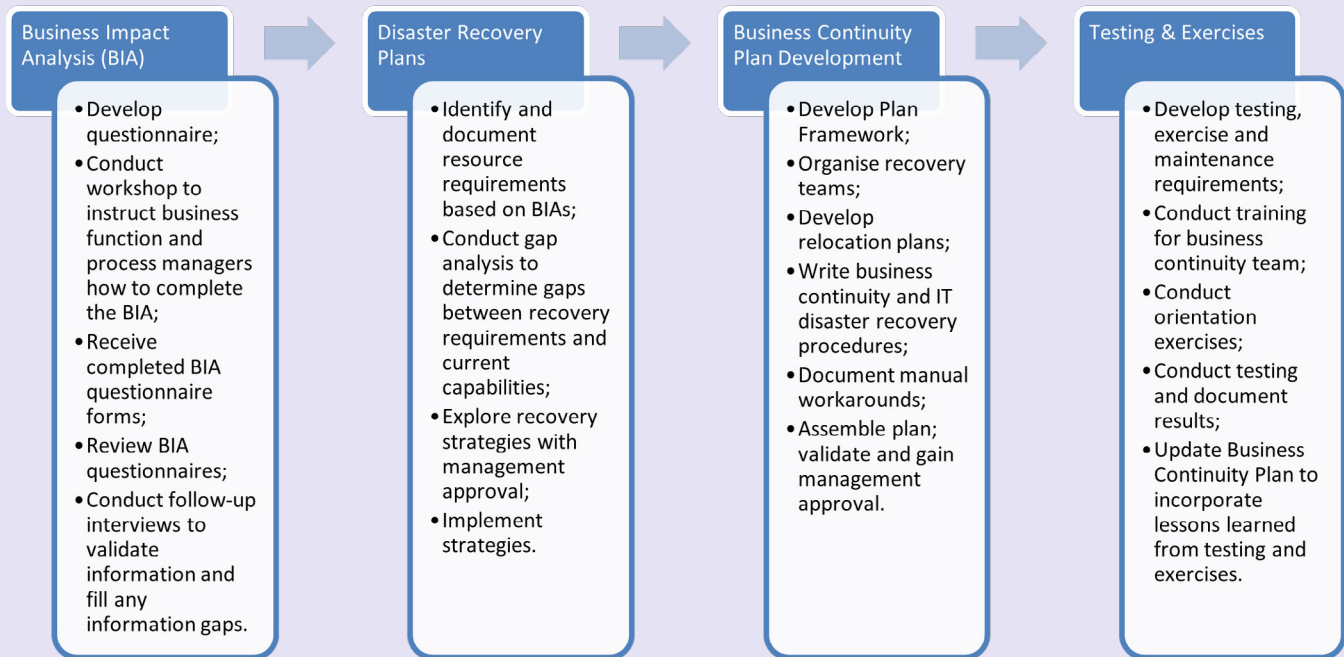
¹Heads of Service includes the Senior Members of the Management Team (Head of Fund Administration and Operations, Head of Fund Compliance and Governance, Head of Actuarial and Funding and Head of Fund Investments). Team Managers are the remaining members of the Fund's Management Team.

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Objective

The objective of the Business Continuity Policy is to ensure that there are procedures in place to minimise impact and disruption should key systems / people / buildings become unavailable. The process to achieve this objective is illustrated below:



The Fund's Business Continuity Policy identifies the key activities for the Fund. The main objectives of the Fund's Management Team, in conjunction with this Policy, are to:

- analyse the impact/potential impact of the incident;
- facilitate the decision-making process during and after an incident;
- manage the Business Continuity Plan invocation process;
- manage the relocation of key staff to alternative locations;
- identify and implement recovery strategies through to business as usual; and
- recover critical Service Areas and activities.

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In fulfilling the objectives aligned to this Policy, the Fund will be able to continue to deliver its strategic goals which are detailed below:



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Business Continuity Plan

The Business Continuity Plan will bring together the following areas: the Fund's Business Continuity Policy, Corporate Services Business Continuity Plan, Business Impact Assessment, Disaster Recovery, and Testing Schedule.

Business Impact Assessment

A Business Impact Assessment is a process that allows the Fund to identify critical business functions and predict the consequences a disruption of one of those functions would have. It also allows the Fund to gather information needed to develop disaster recovery plans and limit the potential loss of service, reputation, income etc.

The Business Impact Assessment has been developed by Fund Officers in consultation with the Essex County Council Business Continuity Champion, Disaster Recovery Team and the Fund's Independent Governance and Administration Adviser (IGAA).

Disaster Recovery

Disaster recovery is the process of resuming normal operations following a disruption of services by regaining access to electronic storage of data, hard copy storage of data, hardware, software, networking equipment, resources, buildings, power and connectivity.

Disaster recovery plans have been set up to cover the five key areas of business detailed below:

Governance

The Compliance Team are responsible for the implementation and oversight of the Governance arrangements in place for the Fund's Boards and Committee (Essex Pension Fund Strategy Board (PSB), Essex Pension Fund Advisory Board (PAB) and Investment Steering Committee (ISC)). They also monitor the Fund's achievements against objectives, by the management of risk and performance made against Key Performance Indicators (KPI).

Funding

The Actuarial and Funding Teams responsibilities include working with the Fund Actuary in the setting of employer contributions each valuation cycle and ensuring the Fund meets other actuarial and accounting requirements. They liaise with Fund Employers to ensure they are aware of their statutory obligations to their employees and the Fund as well as to ensure pension contributions are paid within the prescribed time limits. The team were responsible for receiving and reconciling £348m of income in 2023/24.



Investments

The Fund's Investment Strategy is determined by the ISC. The Investment Team are responsible for implementing the Strategy and supporting the ISC in its role of monitoring the performance of the Fund's external investment managers. As at March 2024 the Fund had assets of over £9.669bn. The Investment Team also co-ordinate the production of the Annual Report and Accounts.

Administration

The Administration Team administers the benefits of over 181,000 individuals in the Fund. This involves the day to day operations including: the calculation and payment of scheme benefits, the imaging and indexing of post and documents, the maintenance of member records and explaining scheme rules and benefits, discuss concerns or answer questions from Scheme Members and Employers either face to face, over the phone or by email and Microsoft Teams.

The Pensioner Payroll Team are responsible for paying over 49,000 pensioners each month with a monthly payroll of over £22 million.

The Administration Team is also responsible for the administration of other public sector schemes: The Firefighters Pension Schemes and the Police Pension Schemes. These are funded independently by individual Service Level Agreements (SLA) with each Authority.

The Systems Team are responsible for managing all aspects of UPM (Pension Administration Software), including document, profile, security and process management. In addition, the Team manage online portals including Member Online (for Scheme Members) and Pensions Online (for Employers) and provides support to users.

The Team liaises with Fund Employers and their payroll providers to onboard all new Scheme Members and leavers of the Scheme, processing monthly and end of year returns, pensions increases and annual allowance. They also generate the Active and Deferred Annual Benefit Statements.

In addition, the Team also provides relevant data for statutory bodies as needed, including for valuations.

The Technical Hub assist the Administration Team by ensuring the correct interpretation of current and new scheme regulations, and wider pensions legislation, to ensure our systems and processes remain fit for purpose. The Team liaises regularly with our peers and attends regional and national meetings to ensure we both influence and keep up to date with scheme developments.



Communications

The Compliance Team are responsible for development, implementation and oversight of the Fund's Communications Policy, which encompasses all the internal and external communications to/from the Fund. This includes the annual review of the Annual Benefit Statements, how these should be communicated with Scheme Members and the future developments required to the Fund's website.

Testing Schedule

Fund Officers have produced a Testing Schedule which is a live document. Testing verifies the effectiveness of the Fund's Business Continuity Plan, provides training for test participants on what to do in a real scenario and identifies areas where the plan needs to be strengthened. The Testing Schedule is regularly actioned, monitored and updated.

Roles and Responsibilities

The Compliance Team are responsible for the oversight of the Fund's Business Continuity Policy and Plan, including the requirement to ensure the Plan is kept up-to-date and is tested regularly.

The main duties of the Fund's Management Team, in conjunction with this Policy, are to implement and manage the recovery strategy for the Fund and its affected activities. The Management Team is made up of the Director for Essex Pension Fund, all Heads of Service and all Team Managers.

Each member of the Management Team will be able to access a copy of the Fund's Business Continuity Plan, and is jointly responsible for ensuring all plan actions are carried out.

The Fund's Management Team will be responsible for, but not limited to:

- setting up an appropriate location and/or method (i.e. Microsoft Teams or WhatsApp if the ECC Network is down) to coordinate the response to the disruption/incident from, if required;
- ensuring communication channels are set up with staff, Senior Managers within ECC and other stakeholders including the Fund's third party advisers and suppliers;
- overseeing the impact assessment process and ensuring that reports are reviewed regularly;
- determining the prioritisation for the recovery of critical services/activities;
- coordinating the relocation of staff to an alternative site(s), alongside outsourced provider(s)/infrastructure;
- determining which services/activities can be suspended to support the continuation of critical services/activities, if required; and

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- determining teams responsibilities including contingency, resources and additional resources that may be required.

Debrief

A debrief session is held following the conclusion of the disruption/incident to capture key points and learning. For smaller scale disruptions, this can be done via a written questionnaire. Larger scale incidents should have a physical debrief session.

The debrief will look at what went well, what didn't and what improvements can be made. Key points to consider can include:

- incident alerting, escalation and notification;
- command structure;
- communication;
- impact on the business;
- cost and expenses; and
- impact on staff.

Risks

The Fund has a Risk Register which links to numerous activities outlined in the Business Continuity Policy and Plan. All risks are monitored and updated on a continuous basis and can be found on the Fund's website www.essexpensionfund.co.uk/resources.

In addition, the risks relating to the delivery of this Policy have been identified and are mitigated by the Incident Levels as illustrated on page 3.

Monitoring and Reporting

The Business Continuity Policy is reviewed on a three-yearly basis and the Plan will be monitored at regular intervals by the Fund with testing exercises and results reported to the PSB and PAB when required. Lessons learned from the exercises will be fully integrated into the Business Continuity Plan following the debrief exercise. In addition, the Fund reports on specific measures in relation to Business Continuity agreed by the PSB, these are contained in the Fund's Scorecard which is regularly reported to the PSB and PAB.

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Further Information

If you require further information about this Policy, please contact:

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Situation Report

Incident Name:	
Situation Report No:	
Date & Time:	
Impact Assessment Update & Agreed Incident Level:	
Priority Issues:	
Agreed Actions:	
Communications / Escalations:	
Support Required:	

Completed By:		Date:	
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