

Guidance for trustees

# Sample business plan

Here is an example of how you might want to structure your business plan. This is not intended to be an exhaustive list of matters you should consider as this will vary depending on the particular circumstances of your scheme.

A business plan should cover the trustees' vision and long term goals for the scheme, from which strategic objectives would be set for a period of between one to three years. Monitoring progress against objectives enables trustees to assess progress towards achieving the long term goals.

## Vision and goals

Describe the vision for the scheme and long term goals for achieving that vision. This will vary depending on the scheme's benefit structure and membership.

## Objectives

Describe the objectives that must be met in order to achieve the schemes goals. Include actions and how these are to be measured. Objectives and related tasks may cover these themes:

- ▶ **governance**, eg establishing a governance structure to achieve long term goals, managing training and development of trustees and board evaluation
- ▶ **compliance**, eg processes and tools in place to ensure compliance with legal and code requirements at all times
- ▶ **funding**, eg developing a flight plan, negotiating contributions with the scheme sponsor
- ▶ **investment and risk**, eg putting in place an integrated risk management process
- ▶ **sponsor relationship**, eg arrangements in place to maintain an effective relationship with the scheme sponsor
- ▶ **member experience and engagement**, eg establishing a communication and member engagement plan to support feedback on value for members
- ▶ **costs**, eg create an annual budget, understand and document full running costs of the scheme

## Key activities planner

This example only covers high level descriptions of routine matters and compliance. Many schemes include particular tasks for achieving objectives and annual projects. The example below covers some of the key activities for a defined benefit scheme with a defined contribution section which has sub-committees for investment, audit and administration, but could be applied to any type of scheme. Trustees will also have a more detailed annual planner which typically covers frequency, task owners and due dates.

2018	Q1	Q2	Q3	Q4
<b>Actuarial</b>	<p>Quarterly funding update</p> <p>Annual factors review including transfer value basis</p> <p><b>Three year actuarial process:</b> Covenant assessment</p>	<p>Quarterly funding update</p> <p>Interim valuation</p> <p><b>Three year actuarial process:</b> Deadline for actuary to deliver initial results to trustees</p>	<p>Quarterly funding update</p> <p>Review of additional voluntary contributions and commutation factors</p> <p><b>Three year actuarial process:</b> Deadline for consultation with employer</p>	<p>Quarterly funding update</p> <p><b>Three year actuarial process:</b> Deadline for advice of assumptions for technical provisions</p> <p><b>Three year actuarial process:</b> Deadline for schedule of contributions and recovery plan</p> <p><b>Three year actuarial process:</b> Deadline for trustees to reach agreement with employer on the above two points</p>

2018 ctd	Q1	Q2	Q3	Q4
<b>Administration</b>	<p>Quarterly stewardship report</p> <p>Annual data review report</p> <p>Issue annual benefit statements</p>	<p>Quarterly stewardship report</p>	<p>Quarterly stewardship report</p> <p>Plan for forthcoming year</p> <p>Send summary funding statement</p>	<p>Quarterly stewardship report</p>
<b>Audit</b>	<p>Sub-committee presents risk management review</p>	<p>Agree draft annual report and accounts (y/e 31/12/17)</p>	<p>Sub-committee presents internal audit report</p>	
<b>Governance</b>	<p>Review and amend business plan</p> <p>Review risk register</p> <p>Annual board skills evaluation</p> <p>Review skills and succession planning</p>	<p>Review and amend business plan</p> <p>Agree draft chair's statement (y/e 31/12/17)</p>	<p>Review and amend business plan</p>	<p>Review and amend business plan</p>
<b>Skills and training</b>	<p>Update to training plan based on annual board skills evaluation and in line with expected projects</p> <p>Board skills training</p>			<p>Trustees individual and group training needs analysis</p>

2018 ctd	Q1	Q2	Q3	Q4
<b>Evaluation of advisers and suppliers</b>	Triennial evaluation of administrator	Annual performance review of legal adviser	Annual performance review of auditor  Actuary	Annual performance review of investment consultant
<b>Investment</b>	Monitor performance dashboard  Review of statement of investment principles	Monitor performance dashboard	Monitor performance dashboard  Biennial review of investment beliefs	Monitor performance dashboard
<b>Legal</b>	Dormant company accounts	Topical updates		Annual Companies House return
<b>Trustee board meetings</b>	29 March (send pack by 21 March)	28 June (send pack by 20 June)	27 September (send pack by 19 September)	20 December (send pack by 12 December)
<b>Investment sub-committee meetings</b>	13 February (send fund manager reports by 31 January)	15 May (send fund manager reports by 30 April)	15 August (send fund manager reports by 31 July)	13 November (send fund manager reports by 31 October)
<b>Audit sub-committee meetings</b>	20 February (send pack by 6 February)	22 May (send pack by 8 May)	4 September (send pack by 20 August)	20 November (send pack by 6 November)
<b>Administration sub-committee meetings</b>	27 February (send pack by 13 February)  Assess member communication needs and set strategy	29 May (send pack by 15 May)  Implement communication strategy	11 September (send pack by 27 August)  Monitor communication strategy	27 November (send pack by 13 November)  Evaluate communication strategy

Here is the plan for 2019, which is less detailed at this stage.

2019	Q1	Q2	Q3	Q4
<b>Actuarial</b>	<p>Quarterly funding update</p> <p>Annual review of additional voluntary contributions and commutation factors</p> <p><b>Three year actuarial process:</b> Deadline for formal report schedule of contributions, recovery plan, statement of funding principles, actuarial certificates</p>	<p><b>Three year actuarial process:</b> Quarterly funding update</p> <p><b>Three year actuarial process:</b> Interim valuation</p>	<p>Quarterly funding update</p> <p>Review of additional voluntary contributions and commutation factors</p> <p>Review of transfer value factors</p>	<p>Quarterly funding update</p>
<b>Administration</b>	<p>Quarterly stewardship report</p> <p>Annual data review report</p> <p>Issue annual benefit statements</p>	<p>Quarterly stewardship report</p>	<p>Quarterly stewardship report</p> <p>Plan for forthcoming year</p>	<p>Quarterly stewardship report</p>
<b>Audit</b>	<p>Agree annual report and accounts timetable</p>	<p>Sign off annual report and accounts (y/e 31/12/07)</p>		
<b>Business plan</b>	<p>Review and amend business plan</p>	<p>Review and amend business plan</p>	<p>Review and amend business plan</p>	<p>Review and amend business plan</p>

2019 ctd	Q1	Q2	Q3	Q4
<b>Evaluation of advisers and suppliers</b>	Annual performance review of administrator	Annual performance review of legal adviser	Triennial review of auditor and actuary	Annual performance review of investment consultant
<b>Investment</b>	Sub-committee distributes minutes and presents review of statement of investment principles	Sub-committee distributes minutes and reports on investment performance	Sub-committee distributes minutes and presents investment strategy review	Sub-committee distributes minutes and reports on defined contribution investment matters
<b>Legal</b>	Dormant company accounts			Annual Companies House return
<b>Training</b>	Topic to be decided Q4 2018	Topic to be decided Q4 2018	Topic to be decided Q4 2018	Topic to be decided Q4 2018
<b>Trustee board meetings</b>	Board meeting March review risk register	Board meeting June	Board meeting September	Board meeting December
<b>Investment sub-committee meetings</b>	13 February (send fund manager reports by 31 January)	15 May (send fund manager reports by 30 April)	15 August (send fund manager reports by 31 July)	13 November (send fund manager reports by 31 October)
<b>Audit sub-committee meetings</b>	20 February (send pack by 6 February)	22 May (send pack by 8 May)	4 September (send pack by 20 August)	20 November (send pack by 6 November)
<b>Administration sub-committee meetings</b>	27 February (send pack by 13 February)	29 May (send pack by 15 May)	11 September (send pack by 27 August)	27 November (send pack by 13 November)

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Free online learning for trustees

[www.pensionseducationportal.com](http://www.pensionseducationportal.com)

Free online learning for those running public service schemes

## **Sample business plan**

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