

<b>Essex Pension Fund Board</b>	<b>EPB/31/12</b>
<b>Date: 13 December 2012</b>	

## **Update on Pension Fund Activity**

Joint Report by the Head of Essex Pension Fund & Essex Pension Services Manager

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Enquiries to Kevin McDonald on 01245 431301 and Jody Evans on 01245 431700

### **1. Purpose of the Report**

1.1 To provide the Board with an update on the following:

- 2012/13 business plan
- Risk management
- Scorecard – (Measurement against objectives)

### **2. Recommendations**

2.1 That the report be noted.

### **3. Background**

3.1 The following documents accompany this report:

- an update on the 2011/12 business plan is attached at Annex A;
- unchanged risks with a residual score of six or above are detailed at Annex B (i);
- risks with a changed score are detailed at Annex B (ii); and
- the full scorecard is attached at Annex C.

### **4. Related matters subject to separate agenda items**

4.1 Matters subject to separate agenda items include:

- Local Government Pension Scheme update
- Employer risk analysis update
- ISC Quarterly Report

### **5. Key developments**

#### **Business Plan**

5.1 Progress is on track with the business plan (Annex A). Of the 22 actions agreed by the Board at its meeting on 7 March, ten are now complete with work in progress on a further eleven.

#### **Risk Register**

5.2 Unchanged risks with a residual score of six or above are detailed at Annex B (i).

5.3 One further risk (A1) has been rescored. This addresses the possibility that the draft Regulations on the 2014 LGPS may not include comprehensive details on the new scheme. This in turn could impact on the implementation of required system changes.

#### **Scorecard**

5.4 Measures to note are detailed below:

**3.5** Maintain Liquidity in order to meet projected net cashflow outgoings.  
A new measure (3.5.1 & 3.2.2) has been introduced to capture the most recent analysis of the how soon the Fund could change from positive to negative cash flow. At the 15 November Strategy day, Board Members were updated that the Fund is currently projected to turn cashflow negative in 2015/16.

#### **4.2** Data protected to ensure security and authorised use only

A security breach occurred in October when an email containing membership details of Essex Probation staff was sent to Essex Police in error. This was mistake was highlighted to Essex Police after which the details were deleted. The relevant procedure has now been changed to exclude the use of membership details in order to ensure that such a breach does not re-occur.

## **6. Link to Essex Pension Fund Objectives**

- 6.1 Monitoring Pension Fund activity via the business plan, risks and scorecard assists the Fund in achieving all of its objectives, and in particular:
- Provide a high quality 'gold standard' service whilst maintaining value for money
  - Understand and monitor risk and compliance
  - Continually measure and monitor success against our objectives

## **7. Risk Implications**

- 7.1 Key risks are identified at Annex B.

## **8. Communication Implications**

- 8.1 Other than ongoing reporting to the Board, there are no communications implications.

## **9. Finance and Resources Implications**

- 9.1 The business plan for 2012/13 is challenging and labour intensive, particularly around some of the improvements to governance areas. The remainder of 2012/13 will require significant input by officers and advisers to bring some of the actions to conclusion.

## **10. Background Papers**

- 10.1 None.