

Essex Pension Fund Scorecard - 13 December 2012

Guidance: Measures are grouped around key objectives identified by the Board. For some objectives there are several indicators monitoring progress. The number of measures which are red, amber and green for each objective are displayed on the scorecard. Key areas of focus are highlighted in the commentary box below. Details of individual measures, including performance, targets, contextual commentary, definition and scope are given in the attached drill down pack. Measures which are still in development have not been displayed on the scorecard but are outlined in the drill down pack

1. GOVERNANCE	
1.1 - Provide a high quality service whilst maintaining value for money	<div><div>5</div></div>
1.2 - Ensure the Pension Fund is managed by people who have the appropriate knowledge and expertise	<div><div>1</div><div>4</div><div>1</div><div>1</div></div>
1.3 - Evolve and look for new opportunities, ensuring efficiency at all times: Progress against business plan	<div><div>1</div></div>
1.4 - Act with integrity and be accountable to our stakeholders (complaints against EPFB, robustness of decisions, contract management, accountability)	<div><div>1</div><div>2</div></div>
1.5 - Understand and monitor risk and compliance	<div><div>5</div></div>

2. INVESTMENTS	
2.1 - Maximise returns from investments within reasonable risk parameters	<div><div>1</div><div>1</div><div>2</div></div>
2.2 - Ensure the Pension Fund is properly managed (ISC attendance, skills and governance arrangements)	<div><div>1</div><div>2</div><div>1</div></div>
2.3 - Ensure investment issues are communicated appropriately to the Fund's stakeholders	<div><div>1</div><div>4</div></div>

3. FUNDING	
3.1 - Achieve and then maintain assets equal to 100% of liabilities within reasonable risk parameters and Funding Strategy timescales	<div><div>1</div></div>
3.2 - To recognise in drawing up its Funding Strategy, the desirability of employer contributions that are as stable as possible	<div><div>2</div></div>
3.3 - Consistency between Investment and Funding strategies	<div><div>1</div></div>
3.4 - Minimise unrecoverable debt on termination of employer participation	<div><div>1</div><div>1</div><div>1</div></div>
3.5 - Maintain liquidity in order to meet projected net cashflow outgoings	<div><div>1</div></div>

4. ADMINISTRATION	
4.1 - Deliver a high quality, friendly and informative service	<div><div>1</div><div>3</div><div>9</div><div>1</div></div>
4.2 - Data is protected to ensure security and authorised use on	<div><div>1</div><div>1</div></div>
4.3 - Ensure proper administration of financial affairs	<div><div>1</div><div>1</div></div>
4.4 - Compliance with Fund's governance arrangements	<div><div>1</div><div>4</div></div>

5. COMMUNICATIONS	
5.1 - Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally.	<div><div>4</div></div>
5.2 - Ensure our communications are simple, relevant and have impact and deliver information in a way that suits all types of stakeholder.	<div><div>2</div><div>1</div></div>
5.3 - Aim for full appreciation of the pension scheme benefits and changes to the Scheme by all scheme members, prospective scheme members and employers.	<div><div>2</div></div>

Key	
<div>G</div>	= on or exceeding target
<div>A</div>	= missing target but within agreed tolerance
<div>R</div>	= missing target by more than agreed tolerance
<div>Gy</div>	= data not currently available / work in progress

1.1 - Provide a high quality service whilst maintaining value for money

Measure Purpose: To provide a high quality service whilst maintaining value for money
Scope: Cost, scheme member satisfaction and scheme member complaints and compliments
Measure Owner: Jody Evans
Data lead: David Tucker/Matt Mott

Status								
	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
1.1.1 Cost per scheme member	2nd	quartile	G	G	2nd/3rd quartile	2nd/3rd quartile	Low	Annual (Aug)
1.1.2 Number of scheme member complaints	5		G	G	5	20	Low	Quarterly
1.1.3 Number of scheme member compliments	16		G	G	15	60	High	Quarterly
1.1.4 Scheme member survey - % of positive answers	97.7%	%	G	G	95%	95%	High	Annual (Nov)
1.1.5 Employer survey - % of positive answers	100	%	G	G	95%	95%	High	Annual (Nov)

Rationale for performance status and trend

- 1.1.1. Cost per member was £18.57 in 2011/12 (£19.05 in 2010/11) compared to the CIPFA Benchmarking average of £21.49 (£22.14 in 2010/11). This Fund remains in the second quartile.
- 1.1.2. The number of complaints received in the 3 months to 30 September 2012 was 5. (Previous quarter 1)
- 1.1.3. The number of compliments received in the 3 months to 30 September 2012 was 16. (Previous quarter 26)
- 1.1.4. 400 scheme members (employees) were invited to participate in a survey by Pensions Services in November 2011. Of the 43 responses, 1 negative anonymous response was received. The remainder were 22 were "very happy" with the services over the previous 12 months, and 20 were "happy". The 2012 scheme member survey has commenced and the results will be included in the March 2013 scorecard.
- 1.1.5. 100 employers were invited to participate in a survey conducted in November 2011. Of the 32 responses, none were negative with 65.6% stating they were extremely satisfied and 34.4% moderately satisfied. The 2012 employer survey has commenced and the results will be included in the March 2013 scorecard.

1.2 - Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise

Measure Purpose: To ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise

Scope: Training needs analysis, attendance of training. Progress against training plans and My Performance objectives.

Measure Owner: Graham Hughes/Jody Evans/Kevin McDonald

Data lead: Graham Hughes/Jody Evans/Kevin McDonald

Status

	Value	Units	Previous Status	Current Status	Target	Annual target	Polarity	Frequency
1.2.1 Board Member attendance at training	64	%	A	A	80%	80%	High	Quarterly
1.2.2 Board Members with adequate skills - average scores for comprehensive training need analysis (TNA)	47	%	A	A	65%	65%	High	Quarterly
1.2.3 Board Members with adequate skills - average skills for introductory training needs analysis (TNA)	70	%	A	A	75%	75%	High	Quarterly
1.2.4 Board Members completing training needs analysis (TNA)	47	%	R	R	90%	90%	High	Quarterly
1.2.5 Board Member attendance at Board meetings	73	%	G	A	80%	80%	High	Quarterly
1.2.6 Officer training plans and My performance Objectives in place	100	%	A	G	100%	100%	High	Annual (May)
1.2.7 Measure of officer knowledge and expertise - to be developed			Gy	Gy				

Rationale for performance status and trend

1.2.1. The data relates to the calendar year until the date of the current meeting and includes both internal and external training opportunities. In calculating attendance rates, distinction is made between events where attendance is expected and those for which it is optional. There has been an improvement since the last meeting but the serious ill-health suffered by a former Board member continues to be a contributing factor.

1.2.2. This score of 47% reflects an improvement from the previous quarter's score of 37%. The training requirements relate to six separate subject matters. These are the average scores for all Board Members completing this Training Needs Analysis (TNA) across all sections (or as many sections as they have completed, if not all). The grading reflects the difficulty of this TNA (i.e. 65+% shown as green, 45+% shown as amber, below 45% shown as red).

1.2.3. This score of 70% reflects an improvement from the previous quarter's score of 67%. The training requirements relate to six separate subject matters. These are the average scores for all Board Members completing this Training Needs Analysis (TNA) across all sections (or as many sections as they have completed, if not all). The grading reflects the difficulty of this TNA (i.e. 75+% shown as green, 60+% shown as amber, below 60% shown as red).

1.2.4. This quarters score is 47% (previous quarter 57%) and reflects completion of the investment module. The grading for this measure is 90+% shown as green, 70+% shown as amber, below 70% shown as red.

1.2.5. This represents attendance at the previous four Board meetings covering the period December 2011 - September 2012. inclusive Target has been met.

1.2.6. My Performance objectives have been agreed for all Pension Administration & Pension Investment officers.

1.2.7. This measure has been deferred until the new staff structure is in place.

1.3 - Evolve and look for new opportunities, ensuring efficiency at all times

Measure Purpose: To evolve and look for new opportunities, ensuring efficiency at all times

Scope: Actions listed in Business Plan

Measure Owner: Kevin McDonald & Jody Evans

Data lead: Kevin McDonald & Jody Evans

Status	Value	Previous status	Current status	Target	Annual target	Polarity	Frequency
1.3.1 Fund Business Plan quarterly review - actions on track	45 % Complete, 50% in progress	A	G	45% Complete, 45% in progress	100% complete	High	Quarterly

Rationale for performance status and trend

1.3.1 Against a total of 22 actions or projects for the year:

10 (45%) are complete

11 (50%) are in progress

1 (5%) is yet to commence

The business plan is detailed in Annex A of this report.

1.4 - Act with integrity and be accountable to our stakeholders

Measure Purpose: To act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based

Scope: Formal complaints against Board Members relating to their role as member of the EPFB or ISC, with reference to Essex County Council's Code of Conduct. Formal complaints are those made to Standards Committee. The same complaint may be referred onto the Local Government Ombudsman or a third party may seek judicial review. Measure also includes annual review of key decisions and accountability and contract management measures currently in development

Measure Owner: Graham Hughes

Data lead: Graham Hughes

Status	Value	Units	Previous status	Current status	Target	Polarity	Frequency
1.4.1 Number of complaints made	0		G	G	0	Low	Ongoing
1.4.2 Number of complaints upheld	0		G	G	0	Low	Ongoing
1.4.3 Annual review of key decisions, based on criteria relating to good governance and robust decision making - to be developed		N/A	Gy	Gy	N/A	N/A	N/A
1.4.4 The Board has provision for representatives of employers and scheme members. Appointees are currently in place.	Yes		G	R	Yes	High	Quarterly
1.4.5 Measure of effective and robust contract management - to be developed		N/A	Gy	Gy	N/A	N/A	N/A

Rationale for performance status and trend

- 1.4.1 Reflects performance over the previous 12 months as at 27 September 2012
- 1.4.2 Reflects performance over the previous 12 months as at 27 September 2012
- 1.4.3 This measure will be defined when the Pension Board effectiveness review is completed later in 2012/13
- 1.4.4 This is measured on an ongoing basis. Yes = green; No = red.
A nominated respresentative from response is awaited from the newly elected Police & Crime Commissioner.
- 1.4.5 Work on this measure is underway.
- Scheme member and employer survey measurements shown in section 1.1 also provide an indication of accountability to stakeholders.

1.5 - Understand and monitor risk and compliance

Measure Purpose: Understand and monitor risk and compliance

Scope: Ongoing reporting and discussion of key risks to the Fund. Output from internal audit reviews.

Measure Owner: Kevin McDonald & Jody Evans

Data lead: Kevin McDonald & Jody Evans

Status

	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
1.5.1 Number of internal audit reviews finding limited/no assurance	0		G	G	0	0	Low	Ongoing
1.5.2 Number of internal audit recommendations outstanding	0		G	G	0	N/A	Low	Ongoing
1.5.3 Percentage of risks on the risk register with a residual score that is classified as amber	12.5	%	G	G	<20%	<20%	High	Quarterly
1.5.4 Percentage of risks on the risk register with a residual score that is classified as red	0	%	G	G	0%	0%	High	Quarterly
1.5.5 Number of matters raised by external auditors relating to Pensions Services	0		G	G	0	N/A	Low	Annually (Sep)

Rationale for performance status and trend

1.5.1 This includes all internal audits conducted in the last 12 months. As reported to the July meeting of the Board, the 2011/12 internal audit reports for both Pensions Administration and Pensions Investment received full assurance.

1.5.2 The 2011/12 internal audit reports for both Pensions Administration and Pensions Investment contained a total of three "advice & best practice" recommendation. None are outstanding.

1.5.3 The Fund currently has 80 risks in its register, of which 10 have a residual score that is classified as amber. Previous quarters score was 9 (9 amber risks). The two new amber risks are detailed in Annex B(ii) of this report. Measurement: below 15% = green; between 15%-20% = amber; above 20% = red

1.5.4 The Fund currently has 80 risks in its register, none of which have a residual score that is classified as red. Measurement: 0% red = green; under 2% red = amber; above 2% = red

1.5.5 There were no recommendations in the 2011/12 Annual Governance Report (AGR) from the Audit Commission (None in 2010/11).

2.1 - Maximise returns from investments within reasonable risk parameters

Data as at: 31 March 2012

Measure Purpose: To maximise the returns from investments within reasonable risk parameters

Scope: All investments made by Pensions Fund: asset returns, liquidity and volatility risk

Measure Owner: Kevin McDonald

Data lead: Samantha Andrews

Status

	Value	Units	Previous Status	Current Status	Target	Annual target	Polarity
2.1.1 Annual return compared to Peer Group	5th	ranking	G	A	1st	1st	High
2.1.2 Annual Return compared to Benchmark	1.5	%	G	G	0.7%	0.7%	High
2.1.3 Five year (annualised) return compared to Benchmark	2.8	%	G	G	2.8%	4.2%	High
2.1.4 Five year (annualised) return compared to Investment Return assumption in SIP	2.8	%	R	R	7.9%	7.9%	High

Rationale for performance status and trend

2.1.1 Essex's annual return in 2011/12 was 1.5%, resulting in a ranking of fifth out of the six LGPS Funds in our selected group of statistical neighbours, comprising of Suffolk, Hertfordshire, Cambridgeshire, Norfolk and Kent. Highest was Kent with 2.7%, lowest was Cambridgeshire with 0.5%. In 2010/11, Essex was 1st in this group.

The investment returns shown in the remaining measures are as at 31 March 2012

2.1.2 The annual return of 1.5% outperformed the 2011/12 benchmark of 0.7%.

2.1.3 The five year annualised return equalled the benchmark of 2.8%.

2.1.4 The five year annualised Average annual return on investments for April 2006 - March 2011 was below the target long term return on investments in the Statement of Investment Principles.

2.2 - Ensure the Fund is properly managed

Measure Purpose: To ensure that the Fund is properly managed

Scope: Attendance at ISC and ISC member skills and knowledge

Measure Owner: Kevin McDonald

Designer: Kevin McDonald

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
2.2.1 ISC Member attendance at ISC meetings	82.5	%	G	G	80%	80%	High	Ongoing
2.2.2 ISC Members with adequate skills - average scores for comprehensive training need analysis (TNA)	56.0	%	A	A	65%	65%	High	Quarterly
2.2.3 ISC Members with adequate skills - average skills for introductory training needs analysis (TNA)	69.0	%	A	A	75%	75%	High	Quarterly
2.2.4 ISC Members completing training needs analysis (TNA)	57.0	%	R	R	90%	90%	High	Quarterly

Rationale for performance status and trend

2.2.1 Between December 2011 and December 2012 the ISC held five meetings. The attendance was 82.5%.

2.2.2 This score of 56% reflects an improvement from the previous quarter's score of 37%.The training requirements relate to six separate subject matters. These are the average scores for all ISC Members completing this Training Needs Analysis (TNA) across the three sections that are investment related (or as many of those sections that they have completed). The grading reflects the difficulty of this TNA (i.e. 65+% shown as green, 45+% shown as amber, below 45% shown as red).

2.2.3 This score of 69% reflects an improvement from the previous quarter's score of 67%. The training requirements relate to six separate subject matters. These are the average scores for all ISC Members completing this Training Needs Analysis (TNA) across the three sections that are investment related (or as many of those sections that they have completed). The grading reflects the difficulty of this TNA (i.e. 75+% shown as green, 60+% shown as amber, below 60% shown as red).

2.2.4. This quarters score is 57% (previous quarter 57%) and reflects completion of the investment module. The grading for this measure is 90+% shown as green, 70+% shown as amber, below 70% shown as red.

2.3 - Ensure investment issues are communicated appropriately to the Fund's stakeholders

Measure Purpose: To ensure all significant Fund investment issues are communicated properly to all interested parties

Scope: Publication of meeting minutes and agendas, communication governance arrangements agreed by Board and ISC

Measure Owner: Kevin McDonald

Data lead: Kevin McDonald

Status	Value	Units	Previous status	Current status	Target	Annual target	Frequency
2.3.1 % of ISC agendas sent out 5 working days before meetings	100	%	G	G	100%	High	Quarterly
2.3.2 % of ISC committee agendas sent out 5 working days before meetings with all papers attached	100	%	G	G	100%	High	Quarterly
2.3.3 % of draft ISC minutes sent out 7 working days after meetings	100	%	G	G	100%	High	Quarterly
2.3.4 % of draft ISC minutes uploaded to internet 12 working days after meetings	0	%	G	R	100%	High	Quarterly
2.3.5 Number of communication and governance arrangements for the ISC not in place	0		G	G	0	High	Ongoing

Rationale for performance status and trend

2.3.4 The red measure displayed for the current quarter as the draft minutes of the 10 October 2012 meeting being uploaded onto the internet 13 days (rather than 12 days) after that meeting .

2.3.5 Measure will flag as red if one of the following communications arrangements is not in place:

- ISC Terms of Reference in place and noted at the beginning of the municipal year
- Pensions Fund Business Plan in place and renewed at the beginning of the financial year
- SIP to be reviewed and published annually
- Annual Report & Accounts published by 30 November
- Two independent advisers and 1 institutional investment consultant attended or were available to attend the last ISC meeting (N.B This measure will change as a result of the decision to move to one independent investment adviser w.e.f.1 August 2012)
- Briefing report provided to EPFB on the matters dealt with at the preceding ISC meeting
- Complete management information including asset values and returns made available for consideration at last ISC meeting

All arrangements are in place.

3.1 - Achieve and then maintain assets equal to 100% of liabilities within reasonable risk parameters and Funding Strategy timescales

Data as at: 31 March 2012

Measure Purposes: To achieve and then maintain assets equal to 100% of liabilities within reasonable risk parameters.

Scope: Sources of funding: employer contributions and investments

Measure Owner: Kevin McDonald

Data leads: Kevin McDonald

Status

	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
3.1.1 Probability of hitting 30-year funding target	53	%	G	G	50%	50%	High	Annual (Sep)

Rationale for performance status and trend

3.1.1 As at the 31 March 2012 Interim Funding Review, the Actuary determined that the probability of achieving a 100% funding level at the end of the 30-year period was 53%. (2011 Interim Valuation - 53%).

3.2 - To recognise in drawing up its Funding Strategy the desirability of employer contributions that are as stable as possible

Data as at: 31 March 2010

Measure Purposes: To recognise the desirability of employer contributions that are as stable as possible

Scope: Fund Employers

Measure Owner: Kevin McDonald

Data lead: Sara Maxey

Status

	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
3.2.1 Stability mechanisms are included within the current Funding Strategy	Yes		Gy	G	Yes	Yes	High	3 yearly
3.2.2 Each of the 17 major precept raising bodies are were offered contributions which increased by no more than 1% per year or 3% per valuation.	Yes		Gy	G	Yes	Yes	High	3 yearly

Rationale for performance status and trend

3.2.1 The Funding Strategy Statement is reviewed at least every three years as part of the Valuation process to include suitable stability mechanisms.
3.2.2 During consultation on the 2011 Funding Strategy, each of the 17 major presenting bodies were offered typically three options for employer contributions. These options included a set of contributions which would increased by no more than 1% per year and 3% per valuation. The 17 major precepting bodies are listed below: Essex County Council Basildon District Council Braintree District Council Brentwood Borough Council Castle Point District Council Chelmsford City Council Colchester Borough Council Epping Forest District Council Harlow District Council Maldon District Council Rochford District Council Southend-on-Sea Borough Council Tendring District Council Thurrock Borough Council Uttlesford District Council Essex Police Authority Essex Fire Authority

3.3 - Consistency between the Investment and Funding strategies

Data as at: 22 February 2012

Measure Purpose: To have consistency between the investment strategy and funding strategy

Scope: Long term investment return assumed by funding strategy and average expected return on investment portfolio

Measure Owner: Kevin McDonald

Data leads: Samantha Andrews

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
3.3.1 Long term return assumed by SIP	6.1	%	G	A	6.4%	6.4%	High	Annual (Feb)

Rationale for performance status and trend

3.3.1 Long term return assumed by Funding Strategy

The ongoing assumptions used for the valuation as at 31 March 2010 were calculated referencing the gilt yield of 4.5% p.a. and were as follows:

Pre retirement investment return = 7.0% p.a. (Gilts plus 2.5% p.a.)

Post retirement investment return = 5.5% p.a. (Gilts plus 1.0% p.a.)

The return assumption therefore changes as the Fund matures (and as more members become pensioners). However, the relevant composite rate to use in the short term period to the next valuation would be **6.4%*** p.a.

* In one instance, where a Fund employer is considered by the Administering Authority to provide a high level of covenant, an allowance has been made as part of the recovery plan for investment performance at a higher level than that assumed for assessment of the funding target. This higher level of return assumed will, in particular, reflect the actual investment strategy of the Fund, on the basis that this is to be maintained over the entire recovery period.

Long term strategic expected return in the draft Statement of Investment Principles agreed by ISC on 22 February = 6.1%

The draft SIP approved by the ISC for consultation on 22 February 2012 sets out a central expectation, from the end December 2011, for the absolute return on the Fund assets of 6.1% p.a. This is below the assumption set out in the 2010 Actuarial Valuation of the Fund.

Whilst this suggests that the current asset allocation will generate insufficient return to meet the assumptions underlying the funding position for the Fund, this is a symptom of the current unusual market conditions where gilt yields are at very low levels. It is expected that gilt yields will return to more normal levels (i.e. increase) over time, which other things being equal is expected to lead to a fall in the assessed value of the liability which will assist in closing the funding gap in relative terms.

In addition, the funding of the Fund will be reassessed during 2013 as part of the triennial valuation.

3.4 - Manage employers' liabilities effectively

Data as at: 13 December 2012

Measure Purpose: To manage employers' liabilities effectively by the adoption of employer specific funding objectives

Scope: All employers contributing to the scheme

Measure Owner: Kevin McDonald

Data leads: Sara Maxey

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
3.4.1 Percentage of employers' liabilities which are high risk		%	Gy	Gy				
3.4.2 Potentially unrecoverable deficit due to employers leaving scheme (as a percentage of Total Fund deficit)	0.002	%	A	A	on track	on track	Low	Quarterly
3.4.3 Deficit unrecoverable due to employers leaving scheme (as a proportion of Total Fund deficit)	0	%	A	G	0.00%	0.00%	Low	Quarterly

Rationale for performance status and trend

3.4.1 A report on employer liabilities appears elsewhere on this 13 December Pension Board agenda.

3.4.2 Scoring:

0% = Green.
Below 0.02%(£250,000) = Amber.
Above 0.02% = Red

As reported to the September Board, Connaught Partnership Ltd were placed into liquidation in late 2010, and a termination deficit of £457,800 (0.037% of the Fund's total deficit) was filed as a creditor with the liquidators. Connaught had provided a Bond. Following a claim against that Bond the Fund has now received a payment of £440,000 (the full value of the Bond). This leaves a total of £17,800 outstanding, (0.002% of the Fund's total deficit) and although a payment is still due from the liquidators, it is not expected to cover this amount in full. In view of this, the score is amber.

3.4.3 Scoring:

0% = Green.
Below 0.02%(£250,000) = Amber.
Above 0.02% = Red

There have been no unrecoverable deficits since the last Board meeting. The score is therefore green.

The Fund's total deficit as at 31 March 2010 Actuarial Valuation was £1,234bn.

3.5 - Maintain liquidity in order to meet projected net cashflow outgoings

Measure Purpose: Maintain liquidity in order to meet projected net cash-flow outgoings

Scope: All investments and funding

Measure Owner: Kevin McDonald

Data lead: Kevin McDonald

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
3.5.1 Contribution income adequate to meet benefit payments.	Yes		Gy	G	Yes	Yes	High	Ongoing

Rationale for performance status and trend

3.5.1 This measure captures the most recent analysis of how soon the Fund could change from positive to negative cashflow. At the 15 November Strategy day, Board Members were updated that the Fund is currently projected to go cashflow negative in 2015/16.

Score criteria is based on the contribution income adequate to meet benefit payments for the following time periods

Green = more than two years
Amber = between one and two years
Red = less than one year

4.1 - Deliver a high quality, friendly and informative service

Measure Purpose: Deliver a high quality, friendly and informative service to all beneficiaries, potential beneficiaries and employers at the point of need

Scope: Communication and administration turnaround times, scheme member appeals, payment errors

Measure Owner: Jody EvansData lead: David Tucker/Joel Ellner/Daniel Chessell/Matt Mott

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
4.1.1 Letter detailing transfer in quote issued within 10 working days (631cases)	86.0%	%	A	A	95.0%	95.0%	High	Annual (Aug)
4.1.2 Letter detailing transfer out quote issued within 10 working days (462 cases)	87.3%	%	G	A	95.0%	95.0%	High	Annual (Aug)
4.1.3 Letter detailing process of refund and payment made within 5 working days (141 cases)	85.5%	%	R	A	95.0%	95.0%	High	Annual (Aug)
4.1.4 Letter notifying estimated retirement benefit amount within 10 working days (4634 cases)	96.2%	%	G	G	95.0%	95.0%	High	Annual (Aug)
4.1.5 Letter notifying actual retirement benefits and payment made of lump sum retirement grant within 5 working days (1940 cases)	95.1%	%	G	G	95.0%	95.0%	High	Annual (Aug)
4.1.6 Letter acknowledging death of active /deferred / pensioner member within 5 working days (857 cases)	99.7%	%	G	G	95.0%	95.0%	High	Annual (Aug)
4.1.7 Letter notifying the amount of dependent's benefits within 5 working days (832 cases)	96.0%	%	G	G	95.0%	95.0%	High	Annual (Aug)
4.1.8 Calculate and notify deferred benefits within 10 working days (5843 cases)	82.6%	%	R	R	95.0%	95.0%	High	Annual (Aug)
4.1.9 Annual benefit statements issued to active members by 30 September.	Yes		G	G	Yes	Yes	High	Annual (Sep)
4.1.10 Annual benefit statements issued to deferred members by 30 June.	Yes		G	G	Yes	Yes	High	Annual (Jun)
4.1.11 Number of payments errors	0	number	G	G	0	0	Low	Quarterly
4.1.12 New IDRPAppeals during the year	1		G	G	Below CIPFA average	Below CIPFA average	Low	Annual (Aug)
4.1.13 IDRPAppeals - number of lost cases	0		G	G	Below CIPFA average	Below CIPFA average	Low	Annual (Aug)
4.1.14 Employer survey - feedback on training and educational materials - % of positive responses			Gy	Gy				

4.1.1 - 4.1.8 The Fund is aiming for a target of 95%. Above 95% = green, above 85% = amber, below 85% equals red. It should be noted that the Fund already compares favourably with other funds and is aiming even higher. In the 2011 CIPFA Benchmarking the Fund's turnaround times averaged 92.5% compared to the benchmarking average of 88.94%.

4.1.1 & 4.1.2 Changes to regulations and to factors required to calculate transfers were subject to a delay by the Government Actuarial Department this led officers to postpone processing and therefore impacted the turnaround times.

4.1.3 Turnaround times for processing and paying of refunds improved from 84% (2010/11) to 85.5% (2011/12) due to the additional measures that were implemented during 2011/2012 as agreed with the board. This measure should continue to improve.

4.1.4 Estimates of retirement benefits processed during 2011/2012 more than doubled to 4634 cases from the previous figure in 2010/2011 of 2233 cases. In addition bulk exercises were carried out for Employers which produced a further 9237 cases. bulk exercises are not captured by the measure.

4.1.8 Turnaround times for this measure improved from 78% (2010/11) to 82.6% (2011/12) At the board strategy day in November 2011 discussions took place regarding moving the turnaround time from 10 to 20 working days for 2012/2013 . This is an area of high demand due to levels of employee turnover within our many employers.

4.1.9 The 2011/12 Annual benefits statements for Active members were dispatched in late August 2012.

4.1.10 The last dispatch of these statements to Deferred members was in June 2012. The previous dispatch was in June 2011.

4.1.11 Measure captures the number of errors made by Pensioner Payroll which have resulted in scheme members being paid the wrong amount. During last 3 months, 0 payments errors to scheme members. Procedural checks are in place to measure this on a quarterly basis.

4.1.14 Data to be gathered.

4.2 - Data is protected to ensure security and authorised use only

Data as at: 13 December 2012

Measure Purpose: Data is protected to ensure security and authorised use only

Scope: All service area budgets within the directorate

Measure Owner: Jody Evans

Data lead: Anna Casbolt

Status								
	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
4.2.1 Number of information security breaches	1		G	R	0	0	Low	Quarterly
4.2.2 Actions in place for all breaches	1		G	G	Actions in place for all	Actions in place for all	N/A	Quarterly

Rationale for performance status and trend

<p>4.2.1 There was one critical information security breaches this quarter.</p> <p>In an exchange of information with Essex Police on the annual reconciliation of employee and employer contributions, details of Essex Probation staff were mistakenly sent via email to Essex Police. This error was highlighted to Essex Police, and the details deleted.</p> <p>Green = 0 breaches Amber = 1 or more medium or minor breaches Red = 1 or more major or critical breaches</p> <p>4.2.2 A change to the Investment Team's annual reconciliation of employee and employer contributions procedure has been implemented which excludes the use of membership details, to ensure that such a breach cannot occur in the future.</p>

4.3 - Ensure proper administration of financial affairs

Data as at: 30 September 2012

Measure Purpose: To ensure proper administration of the Fund's financial affairs

Scope: Investments and Borrowing

Measure Owner: Kevin McDonald

Data leads: Samantha Andrews & Sara Maxey

Status	Value	Units	Previous status	Current status	Current target	Annual target	Polarity	Frequency
4.3.1 % of monthly reconciliations of equity and bond investment mandates which are timely	85	%	G	G	75% (Q2)	100%	High	Quarterly
4.3.2 % of contributing employers submitting timely payments	97.1	%	A	A	100%	100%	High	Quarterly

Rationale for performance status and trend

<p>4.3.1 Performance over quarter ending September 2012 was 85%:(Green). Given the workload for closure of accounts and custody transition the target for the September quarter was 75%.</p> <p>Subsequent quarter targets: Quarter ending December: 100% Quarter ending March: 100% Quarter ending June: 0%</p> <p>4.3.2 For the quarter ending September 2012 the performance was amber as payments from 97.1% of the 356 contributing employers were received within the month they fell due (June Quarter 97.3%) . In cash terms this equated to 99.5% of a total employer contribution of £38.4m. (June quarter 99.8% of £38.6m).</p>
--

4.4 - Compliance with the Fund's governance arrangements

Measure Purpose: To ensure compliance with the Fund’s governance arrangements agreed by the Council
Scope: Publication of Essex Pensions Funding Board agendas and minutes. Governance arrangements agreed by Board
Measure Owner: Graham Hughes/Jody Evans/Kevin McDonald **Data lead:** Graham Hughes/Jody Evans/Kevin McDonald

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
4.4.1 % of Board agendas sent out 5 working days before meetings	100	%	G	G	100%	100%	High	Quarterly
4.4.2 % of Board agendas sent out 5 working days before meetings with all papers attached	100	%	G	G	100%	100%	High	Quarterly
4.4.3 % of draft Board minutes sent out 7 working days after meetings	100	%	G	G	100%	100%	High	Quarterly
4.4.4 % of Board minutes uploaded to internet 12 working days after meetings	100	%	G	G	100%	100%	High	Quarterly
4.4.5 Compliance with governance arrangements - number of governance arrangements not in place	0	number	G	R	0	0	High	Ongoing

Rationale for performance status and trend

4.4.5. Essex County Council's Membership for the Board was agreed by the Council at its meeting on 8 May 2012. All other nominees are now in place, including the representative of the Smaller Employers was elected at the Fund Forum on 20 January 2012.

Measure will flag as red if one of the following governance arrangements is not in place, as agreed at Full Council meeting on 6 May 2008:

- Board membership consists of 6 representatives of ECC (also members of the ISC), 2 representatives of the District and Borough Councils in Essex (1 of whom also serves as an observer on the ISC), 2 representatives of Essex's unitary authorities, 1 representative of Essex Fire Authority, **1 representative of the Essex Police & Crime Commissioner (not yet in place)**, 1 representative of Scheme Members (who also serves as an observer on the ISC) and 1 representative of Smaller Employing Bodies.
- An Employer Forum has taken place during the last year - Fund is compliant
- The last Employer Forum received reports and representation from the ISC and EPFB - Fund is compliant

5.1 - Communicate in a friendly, expert and direct way to our stakeholders, treating all our stakeholders equally.

Data as at: November 2011

Measure Purpose: Communicate in a friendly, expert and direct way to our stakeholders, treating all our stake holders equally.

Scope: All scheme members and employers

Measure Owner: David Tucker Data lead: Matt Mott

Status

	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
5.1.1. % of positive responses from the Employee Survey. - <i>Helpfulness of the Pensions Teams.</i>	97	%	Gy	G	95%	95%	High	Annual (Mar)
5.1.2. % of positive responses from the Employer Survey. - <i>Expertness of Pensions Teams.</i>	100	%	Gy	G	95%	95%	High	Annual (Mar)
5.1.3. % of positive responses from the Employer Survey. - <i>Pensions Teams are friendly and Informative.</i>	100	%	Gy	G	90%	90%	High	Annual (Mar)
5.1.4. A Communication Plan is in place for the current year.	Yes		Gy	G	Yes	Yes	High	Annual (Mar)

Rationale for performance status and trend

5.1.1 - 5.1.4

In November 2011 an Employer and an Employee survey was issued to gather information to allow us to measure our effectiveness in communicating with all our stakeholders, in line with the board requirements. The results are reflected in 5.1.1 - 5.1.4

These surveys will be repeated on an annual basis.

5.2 - Ensure our communications are simple, relevant and have impact. To deliver information in a way that suits all types of stakeholder

All measures as at: November 2012

Measure Purpose: Ensure our communications are simple, relevant and have impact. To deliver information in a way that suits all types of stakeholder

Scope: All Scheme members and employers

Measure Owner: David Tucker

Data lead: Matt Mott

Status

	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
5.2.1. % of positive responses from the Employee Survey - <i>Clarity of website information.</i>	91.0%	%	Gy	A	95.0%	95.0%	High	Annual (Mar)
5.2.2. % of positive responses from the Employee Survey - <i>Understandable Annual Benefit Statements.</i>	88.0%	%	Gy	A	95.0%	95.0%	High	Annual (Mar)
5.2.3. % of positive responses from the Scheme Member Survey - <i>Communications that suit needs, and are simple and relevant.</i>		%	Gy	Gy	95.0%	95.0%	High	Annual (Mar)
5.2.4. % of positive responses from the Employer Survey - <i>Clarity of Website information.</i>	100.0%	%	Gy	G	95.0%	95.0%	High	Annual (Mar)
5.2.5. Increase in response of the Scheme Member Survey compared to last year.		%	Gy	Gy	Increase	Increase	High	Annual (Mar)
5.2.6. Increase in response rate of the Employer Survey compared to last year.		%	Gy	Gy	Increase	Increase	High	Annual (Mar)

5.2.1; 5.2.2 & 5.2.4

In November 2011 an Employer and an Employee survey was issued to gather information to allow us to measure our effectiveness in communicating with all our stakeholders, in line with the board requirements. The results are reflected in 5.2.1; 5.2.2 and 5.2.4

These surveys will be repeated on an annual basis. In the next survey a question will be included to reflect 5.2.3, and it will then be possible to also populate 5.2.5 and 5.2.6.

5.3 - Aim for a full appreciation of the pension scheme benefits and changes to the Scheme by all scheme members, prospective scheme members and employers

Data as at:
Measure Purpose: Aim for a full appreciation of the pension scheme benefits and changes to the Scheme by all scheme members, prospective scheme members
Scope: All scheme members and employers
Measure Owner: David Tucker **Data lead:** Matt Mott

Status	Value	Units	Previous status	Current status	Target	Annual target	Polarity	Frequency
5.3.1. % of opt outs is within reasonable parameters		%	gy	gy	0.10%	0.10%	N/A	Quarterly
5.3.2. %of positive responses from the Employer Survey - Information available is helpful in employers understanding their responsibilities		%	gy	gy	95%	95%		

Rationale for performance status and trend

Measures 5.3.1 & 5.3.2 are under development.