

<b>Essex Pension Fund Board</b>	<b>EPB/24/12</b>
<b>Date: 27 September 2012</b>	

## **Update on Pension Fund Activity**

Joint Report by the Pensions Services Manager and Group Manager Investments

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

### **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;
- risks with a residual score of six or above are detailed at Annex B;
- 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
- Interim Review as at 31 March 2012
- Employer risk analysis update
- Annual review of Governance Policy
- ISC Quarterly Report
- External Audit – Annual Governance Report

## **5. Key developments**

### **Business Plan**

- 5.1 Reasonable progress is being made with the business plan (Annex A). Of the 22 actions agreed by the Board at its meeting on 7 March, six are now complete with work in progress on a further thirteen. The remaining three are scheduled to commence later in the year.
- 5.2 One area yet to commence relates to the Reform of the LGPS. At the time of writing it is understood that a statutory consultation is expected to commence in October 2012.

### **Risk Register**

- 5.3 There have been no changes to the risks in the risk register since the last Board meeting. Those risks that remain with a residual score of six or more, and detailed at Annex B.

### **Scorecard**

- 5.4 Since the last meeting, a number of changes to the scorecard have been made to the scorecard. These along with measures to note are detailed below:

#### **3.2 Stability of employer contributions**

Two new measures (3.2.1 & 3.2.2) have been included to reflect the stability mechanisms contained within the Funding Strategy and the impact on offered contribution rates to each of the main tax raising / precepting bodies.

#### **3.4 Employer's liabilities**

A bond payment totalling £340,000 has been received in respect of Connaught Partnership Ltd, leaving a residual deficit of £17,800 outstanding with the liquidators. Payment of this amount is now considered doubtful, which is reflected in the amber status of measure 3.4.2.

The liquidation of Chelmsford Agency for Volunteering, reported to the last Board meeting, has now been completed. Payment of £11,000 has been received leaving a £172,000 as unrecoverable. This is reflected in the reflected in the amber status of measure 3.4.3

#### **4.1 High quality, friendly & informative service**

Measures 4.1.1 through to 4.1.13 have now all been populated with 2011/12 data. This therefore shows comparative data for the first time.

#### **5.1 & 5.2 Communications**

These measures appear on the scorecard for the first time

## **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 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 2011/12 is challenging and labour intensive, particularly around some of the improvements to governance areas. The remainder of 2011/12 will require significant input by officers and advisers to bring some of the actions to conclusion.

## **10. Background Papers**

10.1 None.