

Essex Pension Fund Strategy Board	PSB 04
Date: 6 March 2019	

Update on Pension Fund Activity

Report by the Compliance Manager

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1. Purpose of the Report

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

- 2018/19 business plan;
- Risk Management; and
- Scorecard.

1.2 To provide the Board with proposals for the detailed actions:

- 2019/20 business plan.

2. Recommendations

2.1 That the Board notes:

- progress against the 2018/19 business plan;
- the current risks with a residual score of six or above; and
- the latest scorecard measures.

2.2 That the board agrees:

- the detailed actions proposed for the 2019/20 business plan (contained within Annex A).

3. Background

3.1 The following documents accompany this report:

- an update on the 2018/19 business plan at Annex A;
- risks with a residual score of six or above are detailed at Annex B; 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:

- Governance Compliance Statement and PAB Review (PSB 06);
- Quarterly report from Investment Steering Committee (PSB 08);
- Pooling update (PSB 13).

5. Business Plan 2018/19

5.1 Of the 21 objectives for 2018/19:

- 8 (38%) has been completed;
- 11 (52%) are in progress of which 6 (29%) are subject to items elsewhere on this agenda;
- 2 (10%) are scheduled to commence later in the year.

5.2 In addition, the further proposed 2019/20 Business Plan Actions have been included within Annex A of agenda item 5 from pages 10 to 13.

6. 3-year Business Plan

6.1 The 3-year Business Plan has not been brought under this agenda item as it is under review and an update has been provided at agenda item 5.

7. Risk Register

7.1 There are currently 83 risks in the Fund's risk register of which 11 have a residual score of six or more (amber) and are shown at Annex B.

8. Scorecard

- 8.1 The scorecard is shown at Annex C.
- 8.2 Measure 1.1.5 has changed from green to amber highlighting the results of the 2018 Employer Survey where the 95% target for positive responses was missed by 0.03%.
- 8.3 Measure 1.2.1 has improved since the last quarter showing that PSB Members have exceeded their training target of 90%.
- 8.4 Measure 1.2.2 has improved since the last quarter with the PSB achieving a 91% attendance rate at their meetings.
- 8.5 Measure 1.4.4 has changed from green to red due to the current vacancy on the Essex Pension Fund Advisory Board. This is covered at agenda item 6 of this agenda pack.
- 8.6 Measure 2.2.1 has improved since the last quarter with the ISC achieving an 82% attendance rate at their meetings.
- 8.7 Measure 4.3.1 has improved since that last quarter with the Investment Team now staffed and trained to carry out their duties.
- 8.8 Measure 4.4.2 has changed from green to amber highlighting a late paper being provided to the PSB at their December 2018 meeting. This was due to the Fund waiting for information to be provided from the Fund's Actuary.
- 8.9 Measure 5.1.3 has changed from green to amber highlighting the results of the 2018 Employer Survey where the 95% target for positive responses in relation to the Essex Pension Fund's friendliness was missed by 1%.
- 8.10 Measure 5.2.1 has changed from green to amber highlighting the results of the 2018 scheme member survey where the 95% target for positive responses in relation to the clarity of the Fund's website was missed by 2.5%.
- 8.11 Measure 5.2.6 has changed from green to red highlighting the results of the 2018 employer survey where the 'increase' target for responses decreased by 23.3%.
- 8.12 Measure 5.2.7 has changed from green to amber highlighting the results of the 2018 employer survey where the 95% target for positive response in relation to feedback from the Fund's training events was missed by 2.3%.

9. Link to Essex Pension Fund Objectives

9.1 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.

10. Risk Implications

10.1 The revised risk register is reported at agenda item 5.

11. Communication Implications

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

12. Finance and Resources Implications

12.1 The business plan for 2018/19 is challenging and has required significant input by officers and advisers to bring some of the actions to conclusion.

13. Background Papers

13.1 None.