

Essex Pensions Funding Board - MI Scorecard

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		2. INVESTMENTS	
1.1 - Provide a high quality 'gold standard' service whilst maintaining value for money	3 2	2.1 - Maximise returns from investments within reasonable risk parameters	1 1
1.2 - Ensure the Pension Fund is managed by people who have the appropriate knowledge and expertise	1 1 1 1	2.2 - Ensure the Pension Fund is properly managed (ISC attendance, skills and governance arrangements)	1 1
1.3 - Evolve and look for new opportunities, ensuring efficiency at all times: - Progress against business plan	1	2.3 - Ensure all significant Fund investment issues are communicated properly to all interested parties	4 1
1.4 - Act with integrity and be accountable to our stakeholders (complaints against EPFB, robustness of decisions, contract management, accountability)	2		
1.5 - Understand and monitor risk and compliance	1 1		
3. FUNDING		4. ADMINISTRATION	
3.1 - Achieve and then maintain assets equal to 100% of liabilities within reasonable risk parameters: - Probability of achieving 30-year funding target	1	4.1 - Deliver a high quality, friendly and informative service	2 1 8
3.2 - Consistency between the investment and funding strategies	1	4.2 - Data is protected to ensure security and authorised use only	1
3.3 - Manage employers' liabilities effectively: - Proportion of liabilities which are high risk	1	4.3 - Ensure proper administration of financial affairs	1 1
3.4 - Minimise unrecoverable debt on termination of employer participation	1 1	4.4 - Compliance with Fund's governance arrangements	2 3
3.5 - Maintain liquidity in order to meet projected net cashflow outgoings	1		

5. COMMUNICATIONS

Section to be developed in line with Pensions Services Communications Strategy

Key

	=	on or exceeding target		=	missing target, by more than agreed tolerance
	=	missing target but within agreed tolerance		=	data not currently available

Areas of focus

3.4 - Minimise unrecoverable debt on termination of employer participation

0.04% of the fund's value is at risk following the termination of scheme membership by an employer from whom payment is doubtful. The maximum figure at risk is £1.5m. Employer details can be provided to Board members upon request. Measure is rated amber.

The second measure in this area captures % of Fund value which has been written off as a result of employers terminating their scheme membership. To date, 0% of the Fund's value has been written off due to membership termination in 2010/11, so measure is rated green. The following employers terminated membership in 2010/11:

- Connaught - Ongoing claim made on bond. Fund is a creditor with Administrator
- Southend Renaissance - Paid in full
- Harlow Renaissance - Ongoing, agreement in principle for ECC & Harlow DC to cover outstanding deficit
- Essex & Suffolk Water - Paid in full

An update on ongoing cases will be provided at the next Board meeting.

2.1 - Maximise return on investments within reasonable risk parameters

Essex's annual performance in 2009/10 was 35.5%. This puts the authority second in a group of statistical neighbours, including Suffolk, Hertfordshire, Cambridgeshire, Norfolk and Kent. Target is to be best performer in this group, so measure is rated amber. Best performer was Kent with 36.7%. Worst was Norfolk with 30.1%.

Average return on investment for April 2005 - March 2010 was 6.9%, below the target return of 7.9% in the Statement of Investment Principles. Rated red.

4.1 - Deliver a high quality, friendly and informative service - turnaround times

In 2009/10, we met target for 5 of the 8 KPIs for administration and communication with scheme members. The target for all KPIs is 95% within target timescale, in line with the 'Gold Standard' objective agreed by the Board. It should be noted that the Fund already compares favourably with other funds in this respect and is aiming even higher. In the 2009/10 the Fund's turnaround times averaged 91.1% compared to the CIPFA benchmarking average of 87.9%. 2010/11 data will be available in early September 2011 and will be reported to the next Board meeting on 28 September.

Activities which did not meet target were: Letter detailing transfer in quote - 93% within target timescale; Process refund and issue payment voucher - 84% within target timescale; and Calculate and notify deferred benefits - 78% within target timescale. See attached drill down pack for further detail.