

<b>Essex Pension Fund Board</b>	<b>EPB/15/12</b>
<b>Date: 11 July 2012</b>	

### **Update on Pension Fund Activity**

Joint Report by the Pensions Services Manager and Group Manager Investments

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#### **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:

- An update on reforms to the Local Government Pension Scheme.
- ISC Quarterly Report
- Internal Audit Reports

### **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, two are complete with work in progress on a further twelve. The remaining eight are scheduled to commence later in the year.

#### **Risk Register**

5.2 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**

5.3 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:

##### **1.2 Knowledge & expertise - Board**

Three new measures (1.2.2; 1.2.3 & 1.2.4) have been included to reflect Board Members' participation in the Training Needs Analysis (TNA).

##### **1.4 Integrity & accountability**

A new measure (1.4.4) has been included reflecting that the Board has seats for representatives of both employers and scheme members.

##### **1.5 Risk & compliance**

Two new measures (1.5.3 & 1.5.4) have been included reflect those risks with a residual score classified as amber or red.

##### **2.2 Knowledge & expertise - ISC**

Three new measures (2.2.2; 2.2.3 & 2.2.4) have been included to reflect ISC Members' participation in the Training Needs Analysis (TNA).

### **2.3 ISC communications**

The timespan for measures covering dispatch of ISC agendas etc has been reduced from 12 months to 3 months.

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

One admitted employer, Chelmsford Agency for Volunteering, is in liquidation. The full payment of the termination deficit of £183,000 is considered doubtful, which is reflected in the amber status of measure 3.4.2

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

Two new measures (4.1.9 & 4.1.10) have been included to reflect issuance of Annual Benefit Statements

### **4.4 Board communications**

The timespan for measures covering dispatch of Board agendas etc has been reduced from 12 months to 3 months.

## **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 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.