

Essex Pension Fund Board	EPB/02/15
Date: 4 March 2015	

Update on Pension Fund Activity

Joint Report by the Director for Essex Pension Fund & Head of Essex Pension Fund
Enquiries to Kevin McDonald on 03330 138488 and Jody Evans on 03330 138489

1. Purpose of the Report

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

- 2014/15 business plan
- three year business plan
- risk management
- scorecard

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

- 2015/16 business plan

2. Recommendations

2.1 That the Board notes:

- progress against the 2014/15 business plan
- the estimates of income and expenditure contains within the finance schedule
- the 3 year business plan
- the current risks with a residual score of six or above
- the latest scorecard measures

2.2 That the board agrees:

- the detailed actions proposed for the 2015/16 business plan (*contained within Annex a(i)*); and
- the addition of new measures to the scorecard to give quarterly analysis to discretionary decisions covering death grants (*outlined in section 9 of this paper*).

3. Background

3.1 The following documents accompany this report:

- an update on the 2014/15 business plan at Annex A(i);
- including a series of actions for 2015/16 in Annex A(i);
- a finance schedule highlighting estimated income and expenditure in Annex A (i)
- the 3 year business plan at Annex A(ii);
- 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:

- Reform of LGPS (Structural and Governance)
- Effectiveness of the Essex Pension Fund Board
- ISC Quarterly Report

5. Business Plan 2014/15

5.1 Progress is on track with the business plan shown at Annex A(i). Of the 23 actions for 2014/15:

- 14 (61%) have been completed;
- 8 (35%) are in progress, of which 4 are subject to items elsewhere on this agenda
- 1 (4%) action – the review of governance policy - been deferred to next year. This is to allow the review to take place after all of the arrangements with the regard to the establishment of the new Pensions Advisory Board have been put in place.

6. Business Plan 2015/16

6.1 The proposed business plan for 2015/16 contains 21 actions. Much of the Board's work is of an ongoing nature, and as result actions appear in both this year's and next year's plans. There are however three actions that do not appear in 2015/16, and one new action. These are detailed below:

Actions ceasing in 2014/15	Actions commencing in 2015/16
Procurement of Independent Governance & Administration Adviser (no. 6)	Review of staffing structure (no.22)
Commence new LGPS benefit structure (no. 17)	
Communicate commencement of new LGPS benefit structure (no.23)	

6.2 A finance schedule is appears at the end of Annex A(i) containing estimates for the main items of the Fund's income and expenditure for both 2014/15 and 2015/16.

7. 3 year Business Plan

7.1 The 3 year Business Plan, providing a high level summary of key work streams is shown at Annex A (ii). This has been updated in line with the proposed detailed actions for the 2015/16 Business Plan pending the boards agreement.

8. Risk Register

8.1 There are currently 81 risks in the Fund's risk register of which 12 have a residual score of six or more and are shown at Annex B. There are no changes since the last meeting.

9. Scorecard

9.1 The scorecard is set out in Annex C.

9.2 During the Board's previous consideration of the Administering Authority's discretions, the Chairman requested that information be provided quarterly on the discretionary decisions on death grants. Officers undertook to report back to the Board.

9.3 Under the terms of the LGPS regulations a grant payment falls due in the following two instances:

- a grant is payable on the death of a scheme member (either active or deferred) prior to the age of retirement; and
- a grant in the death of a scheme member within the first ten years of retirement

- 9.4 Set out below is the detail on the 28 instances where the Fund was notified of either the death in service (including deferred), or the death of a pensioner within the first ten years of retirement. It is proposed that the detail below be added to the scorecard.

	Data period	1 October 2014 – 31 December 2014
A	Deaths notified to the Fund	28
B	Number within A with death grant nomination	13
C	Number within B paid in line with nomination held	13
D	Number within A without death grant nomination	15
E	Number within D paid to next of kin	15
F	Other	-

- 9.5 It is recommended that the Board agree that death grant information as highlighted above forms part of the scorecard in future.

10. Link to Essex Pension Fund Objectives

- 10.1 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

11. Risk Implications

- 11.1 Key risks are identified at Annex B

12. Communication Implications

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

13. Finance and Resources Implications

- 13.1 The business plan for 2015/16 is challenging and will require significant input by officers and advisers to bring some of the actions to conclusion. The staffing structure will be reviewed during the year.

14. Background Papers

- 14.1 None.