

Essex Pension Fund Strategy Board	PSB 04
Date: 16 December 2020	

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 the latest Pension Fund Activity Report on:

- 2020/21 Business Plan;
- Budget;
- Scorecard as at 30 November 2020 this includes the investment measures as agreed by the Investment Steering Committee (ISC); and
- Risk Management.

2. Recommendations

2.1 That the Board note the latest Pension Fund Activity Report.

3. Latest Position

- 3.1 The latest Pension Fund Activity Report at Appendix A outlines the progress to date against the Fund's 2020/21 Business Plan and Budget, Scorecard and Risk Management.

4. Key developments to note

Business Plan

- 4.1 The Business Plan update can be found in Section A of the Appendix to this report. A summary of progress to date is shown in the table below:

Function	Total	Complete	In Progress	Delayed	Not due to start	N/A
Governance	10	3 (0)	5 (6)	0 (0)	2 (4)	0 (0)
Funding	6	3 (2)	1 (0)	0 (0)	0 (2)	2 (2)
Investments	11	2 (1)	8 (7)	0 (0)	1 (3)	0 (0)
Admin	9	2 (1)	6 (7)	0 (0)	1 (1)	0 (0)
Comms	6	1 (1)	5 (5)	0 (0)	0 (0)	0 (0)
Total	42	11	25	0	4	2

The numbers in brackets represents to progress reported at the 23 September 2020 meeting.

Budget

- 4.2 The 2020/21 Budget vs Forecast is shown in Section B of the Appendix to this report.

Scorecard

- 4.3 The Scorecard Exception report can be found at Section C of the Appendix to this report.
- 4.4 For Members information, the Investment Measures as agreed at the 21 October 2020 ISC meeting have now been incorporated within the new Scorecard.

Annual Employer Returns

- 4.5 Due to Covid-19 and its impact on Fund Employers, a decision was made by the Interim Director for Essex Pension Fund that the Charging Policy of the Fund would not be enforced this year.
- 4.6 Despite this with Fund Officer support 99% of Fund employers submitted their return by 31 May and passed all tolerance checks by 31 May (95% in 2018/19, 95% in 2017/18). Under the new Scorecard measures, the current status is green (target 90%).
- 4.7 21 employers did not meet the requirements of the validation stage however Officers have been actively working with those employers.

Risk Management

- 4.8 The Risk Management report has been provided at Section D of the Appendix to this report.
- 4.9 The Fund's Risk Register is monitored and updated on a regular basis as part of business as usual, with some key risks being reviewed more regularly due to the impact of the Covid-19 pandemic. No new risks have been identified or changes made to the risk scores since the last meeting.

5. Link to Essex Pension Fund Objectives

- 5.1 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; and
 - Continually measure and monitor success against our objectives.

6. Risk Implications

- 6.1 Key risks are identified at Appendix A within the Risk Management section of the report.

7. Communication Implications

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

8. Finance and Resources Implications

- 8.1 To deliver the activities outlined in the Business Plan for 2020/21 a Budget of £4.62m has been approved which includes an operational internal budget of £3.31m and a budget allocation for third party provider support/advice of £1.31m. This will be periodically kept under review.

9. Background Papers

- 9.1 Update on Pension Fund Activity, PSB 06, 23 September 2020.
- 9.2 Annual Returns 2018/19 Update, PSB 13, 11 September 2019.