

Essex Pension Fund Strategy Board	EPB/12/16
Date: 13 July 2016	

Update on Pension Fund Activity

Joint Report by the Director for Essex Pension Fund & Head of Essex Pension Fund
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1. Purpose of the Report

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

- 2016/17 business plan
- three year business plan
- risk management
- scorecard

2. Recommendations

2.1 That the Board notes:

- progress against the 2016/17 business plan
- the 3 year business plan
- the current risks with a residual score of six or above
- the latest scorecard measures

3. Background

3.1 The following documents accompany this report:

- an update on the 2016/17 business plan at 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:

- LGPS asset pooling
- Actuarial valuation
- Report from Investment Steering Committee
- Report from the Pension Advisory Board
- Internal audit reports

5. Business Plan 2016/17

5.1 Progress is on track with the business plan shown at Annex A (i). Of the 23 actions for 2016/17:

- 2 (9%) have been completed;
- 15 (65%) are in progress; and
- 6 (26%) are scheduled to commence later in the year.

6. 3 year Business Plan

6.1 The 3 year Business Plan, providing a high level summary of key work streams is shown at Annex A (ii).

7. Risk Register

7.1 There are currently 83 risks in the Fund's risk register of which 14 have a residual score of six or more and are shown at Annex B. There are no changes since the last meeting.

8. Scorecard

8.1 The scorecard is set out in Annex C and matters of particular note are highlighted below:

8.2 Measure **1.4.4** covers representation on the Pension Advisory Board. Following the local elections in May, the Secretary to the Board has received notification

from Thurrock Council Cllr Shaun Hebb will be their representative on the PAB. Cllr Hebb succeeds Mr Barry Johnson.

- 8.3 Measure **1.5.2** covers internal audit recommendations. There are a total of three recommendations arising from the Pension Investment and Pension Administration audits (both of which received good assurance). These reports are the subject of separate items on this agenda.
- 8.4 Measures under 2.1 cover investment performance. **2.1.1** highlights that the Fund had the highest investment return in 2015//16 of its geographical peer group.
- 8.5 Measure **3.6** covers potentially unrecoverable deficit. This matter is subject to a separate report elsewhere on the Board's July agenda.
- 8.6 Annual Benefits Statements were issued to all of the Fund's deferred members prior to the 30 June 2016 deadline. This is reflected within measure **4.1.11**.

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 Key risks are identified at Annex B

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 2016/17 is challenging and will require significant input by officers and advisers to bring some of the actions to conclusion. The staffing structure review is ongoing.

13. Background Papers

- 13.1 None.