

Essex Pension Fund Strategy Board	PSB 06
Date: 06 July 2022	

Update on Pension Fund Activity: Quarterly Update Report

Report by the Compliance Manager

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This Report is for noting

Executive Summary

Report Type: Governance

The Quarterly Update Report is provided at Appendix A.

Business Plan – of **46** priorities, **1** activity has been completed to date with **30** in progress and **15** not yet due to commence as at 30 June 2022.

Budget – a Budget update will be available at the next meeting.

Scorecard – as at 31 March 2022, two movements have been recorded within the Exception Report relating to Governance Scorecard measures.

Risk – as at 30 June 2022, eight movements have been recorded due to the full review of all risks, assessments and associated controls carried out by Fund Officers. Details of these movements have been provided within Appendix A. In addition, no new risks have been identified.

1. Purpose of the Report

1.1 To provide the Board with the latest Pension Fund Activity Report on:

- progress against 2022/23 Business Plan;
- Scorecard as at March 2022; 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 progress to date against the Fund's 2022/23 Business Plan, Scorecard and Risk Management.

4. Key Developments to note

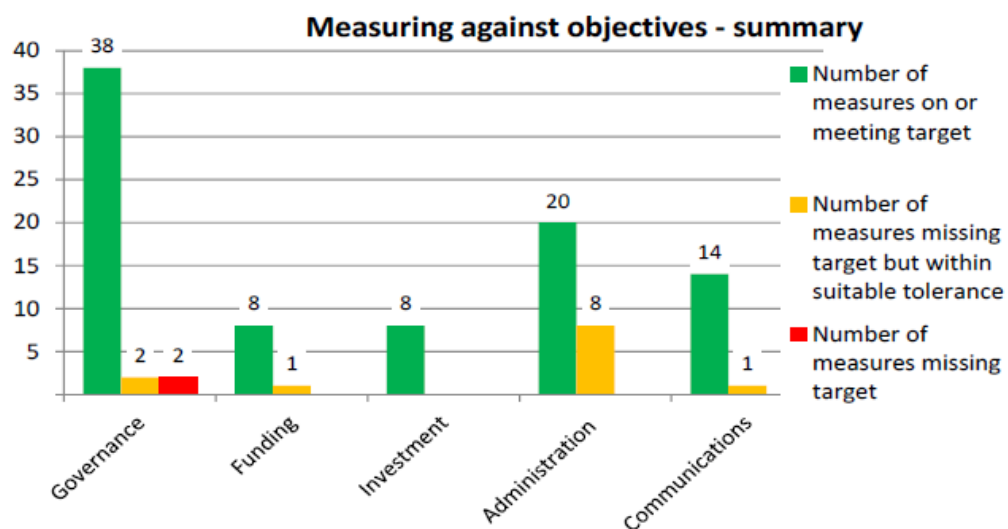
Business Plan

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

Function	Total	Complete	In Progress	Not due to start
Governance	10	1	5	4
Funding	7	0	6	1
Investments	14	0	7	7
Admin	7	0	5	2
Comms	8	0	7	1
Total	46	1	30	15

Scorecard

- 4.2 The Scorecard Exception report can be found at Section B to this report.



- 4.3 As agreed at the 18 March 2022 meeting, any measures resulting in an amber or red score with no movement since the last quarter will no longer appear on the exception report. However, a summary has been provided below for information.

Governance Exceptions

- 4.4 The two ambers within the Governance Section are in regard to Investment Steering Committee (ISC) meeting attendance and the number of Risks at their target score. These were both green previously and are detailed within the Exception Report.
- 4.5 The two reds within the Governance Section are in regard to the outstanding 2020/21 External Audit and PAB Attendance at meetings. The former measure will continue to be red for the foreseeable future until BDO are in a position to sign off the Accounts. The latter measure has worsened from 67% to 56% during the last quarter.

Funding Exceptions

- 4.6 One amber within the Funding Section is in regard to the potential unrecoverable deficit which is unchanged since the last meeting.

Administration Exceptions

- 4.7 The eight ambers within the Administration Section are all Annual Measures and will not be updated until September 2022. Therefore, there is no change since the last meeting.

Communications Exceptions

- 4.8 One amber within the Communication Section is in regard to one Annual Measure relating to the Annual Benefit Statement (ABS) Survey which is unchanged since the last meeting, and it will not be reviewed until September 2022.

Risk Management

- 4.9 The Fund's Risk Register is monitored and updated on a regular basis as part of business as usual. As part of this year's full review, Fund Officers, in consultation with the ECC Risk Advisor, have reviewed all risks, mitigations and assessments. This included the introduction of a risk title, before mitigation score and a risk category in line with the ECC Risk Management Toolkit.
- 4.10 The changes have been described within the Risk Management report provided at Section C to this report.
- 4.11 In addition, no new risks have been identified during this period.

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 to:
- 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 Section C within the Risk Management section of the report.

7. Communication Implications

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

8. Finance and Resources Implications

- 8.1 To deliver the activities outlined in the Business Plan for 2022/23 a Budget of £5.77m has been approved which includes an operational internal budget of £3.74m and a budget allocation for third party provider support/advice of £2.03m. This will be periodically kept under review.

9. Background Papers

- 9.1 Update on Pension Fund Activity, PSB 04, 18 March 2022.
- 9.2 Update on Pension Fund Activity, PSB 04, 15 December 2021.
- 9.3 Update on Pension Fund Activity, PSB 04, 22 September 2021.