

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Board

Date: 23 October 2014

Report by: Deputy Head of Pensions

Subject:	Pension Fund Annual Business Plan update report 2014-15
Purpose of the Report	To present the second Pension Fund Business Plan update for the 2014-15 financial year to the Pension Fund Board.
Recommendations	The Board are asked to note the attached Pension Fund Business Plan second update report for the 2014-15 financial year, provided in the appendix to this report.
Enquiries to:	Jo Walton, Pension Services Governance Officer Tel - 01604 367030 E-mail - jwalton@northamptonshire.gov.uk

1. Background

- 1.1 Good governance ensures that any updates to the pre-agreed Business Plan are provided to the Board on a regular basis. This update highlights the progression made on the Fund's service challenges, its performance on the key performance indicators and also any other initiatives during each quarter of 2014-15 as laid out in the Annual Business Plan.
- 1.2 The Fund Business Plan update is attached in **Appendix 1**.

2. Contents of Business Plan update

2.1 Pension Fund news

For this quarter this section provides an update on the CIPFA Skills and Knowledge training programme undertaken by Board Members and Officers during the course of 2013-14 and into 2014-15 along with details of past and forthcoming external training events. This section also details the progress made on recruiting replacement employer representatives on the Cambridgeshire Pension Fund Board following the resignations of Councillor Nick Guyatt and David Brooks. Finally, there is a brief update on the quality of membership data held by the Fund and how we are seeking to improve this by working with the scheme employers.

2.2 Employee and employer monthly pension contributions

This is a new section within the Business Plan update which details the percentage of Scheme employers that pay over their employee and employer monthly contributions by, or after, the statutory deadline of the 19th day of the following month. There is also an analysis of the value of the late contributions as a proportion of total contributions in that period.

This information will now form a regular section within the Business Plan update in readiness for the Pensions Regulator's extended powers over the Local Government Pension Scheme (LGPS) with effect from 1 April 2015.

2.3 Communications with Scheme members

This is a further new section within the Business Plan update designed to inform the Board of how we have communicated with Scheme members during the period that the update covers.

In this period of reporting, we prepared Annual Benefit Statements for both active and deferred LGPS Scheme members which were issued before the statutory deadline of 5 October 2014. Annual Allowance Pension Savings Statements were also developed and distributed to those scheme members who exceeded the annual allowance limit of £50,000 for 2013-14 by the 5 October statutory deadline.

2.4 Regulations and consultations update

This section provides information on recently issued regulations that are either Local Government Pension Scheme (LGPS) Regulations or overriding legislation. This section also addresses any consultations that have an impact on the administration of the LGPS.

2.5 Investments update

The investment section details key developments and updates in this reporting period.

2.6 Key service challenges

This section provides an update on the work undertaken by and the achievements of LGSS Pensions Service in completing the service challenges for 2014-15 as laid out in the Annual Business Plan.

2.7 Key Performance Indicators

This section of the Business Plan Update reports on the Key Performance Indicators (KPIs) as set out in the Annual Business Plan. Further detailed analysis of the KPIs can be found in **Appendix 6**.

2.8 Forward plan of business

This section of the report details the next Board meeting date and the topics for discussion.

3 Relevant Pension Fund Objectives

Perspective	Outcome
Communications	<ul style="list-style-type: none">• Promote the Scheme as a valuable benefit.• Deliver a clear and consistent message; that is simple, relevant and impactful, uses plain English throughout and engages all levels of stakeholders' understanding.• Provide clear information about the Scheme, including changes to the Scheme, and educate and engage with members so that they can make informed decisions about their benefits.• Seek and review regular feedback from all stakeholders about communication and shape future communications appropriately.• Look for efficiencies in delivering communications including through greater use of technology.
Administration	<ul style="list-style-type: none">• Provide a high quality, friendly and informative administration service to the Funds' stakeholders.• Administer the Funds in a cost effective and efficient manner utilising technology.• Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds.• Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary.• Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount.• Maintain accurate records and ensure data is protected and has authorised use only.• Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.
Governance	<ul style="list-style-type: none">• To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.• Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.

4. Finance & Resources Implications

4.1 The financial and resource implications are set out in the Business Plan.

5. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There is no risk as it is best practice that the Fund has an approved Business Plan.	An approved business plan.	Green

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the Fund does not have a Business Plan update report the Fund will have significant lack of direction, control and structure in the management of its business.	Amber

6. Communication Implications

Direct Communications	The Pension Fund Business Plan update report will be presented to the Pension Fund Board at its quarterly business meetings.
Website	The Pension Fund Business Plan update report will be published on the Fund's website

7. Legal Implications

7.1 Not applicable.

8. Consultation with Key Advisers

8.1 The Fund's key advisers have been consulted in the Pension Fund Business Plan update where necessary.

9. Alternative Options Considered

9.1 Not applicable.

10. Background Papers

10.1 Not applicable.

11. Appendices

11.1 Appendix 1 – Annual Business Plan 2014-15 – update 2 (September 2014).

11.2 Appendix 2 – Active Scheme Member Annual Benefit Statement 2013-14 samples.

11.3 Appendix 3 – Deferred Scheme Member Annual Benefit Statement 2013-14 sample.

11.4 Appendix 4 – LGSS consultation response on CIPFA Preparing the Annual Report Guidance.

- 11.5 Appendix 5 – Cambridgeshire Pension Fund consultation response on Draft Regulations on Scheme Governance.
- 11.6 Appendix 6 – Pensions Administration Management and Performance Monitoring Report.

Checklist of Key Approvals	
Is this decision included in the Business Plan?	No
Will further decisions be required? If so, please outline the timetable here	N/A
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	Chris Malyon – 29/09/2014
Has this report been cleared by Deputy Head of Pensions?	Yes – 26/09/2014
Has the Chairman of the Pension Fund Board been consulted?	Pre-meeting held on 01/10/2014
Has this report been cleared by Legal Services?	No – not required for this report.