

Public minutes of the Pension Fund Committee

Date: 8th June 2023

Time: 10:00am – 11.30am

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors A Costello, P McDonald, C Rae (Vice-Chair), A Sharp, A Whelan (Chair); Peterborough City Councillor A Coles; Lee Phanco, Matthew Pink and John Walker

Officers: B Barlow (virtual), C Blose, D Cave, S Heywood (virtual), M Oakensen and M Whitby

The Chair extended a special welcome to Cllr Peter McDonald, attending his first meeting. She also paid tribute to John Walker, who was stepping down after many years of valued service to the Committee.

119. Apologies for absence and declarations of Interest

There were no apologies for absence.

John Walker declared a personal interest (i) as a retired member of the Local Government Pension Scheme (LGPS), (ii) his son and daughter-in-law were deferred Members of the LGPS.

Lee Phanco declared an interest as Chair of the Board of Trustees and Directors of the Cambridge Sports Hall Trust.

Matthew Pink declared a personal interest as both he and his wife were active members of the LGPS.

120. Public minutes of the Pension Fund Committee meeting held 30 March 2022

The public minutes of the Pension Fund Committee meeting held on 30th March 2022 were approved as a correct record.

The Action Log was noted.

121. Petitions and Public Questions

There were no petitions or public questions.

122. Administration Performance Report

The Committee considered a report which set out a number of key areas of administration performance in the period 1st February to 30th April 2023.

Arising from the report, Members noted:

- over the three month period, all performance targets had been achieved, except for two 'Reds' and two 'Ambers'. Some of these shortfalls resulted from successful recruitment and the relative inexperience of new team members, who needed to build up their skills and knowledge. This position was expected to improve over time;
- new and supplementary KPIs were being developed to measure the overall customer journey, as previously agreed. More information would be provided at the October Committee meeting;
- the section of the report dealing with Internal Dispute Resolution Procedures (IDRP) had been reformatted, specifically in relation to separating out the Stage 1 and 2 Disputes;
- the three key areas of the Data Improvement Plan were summarised;
- since the report had been published, there had been a data breach. Given the nature of the breach, this would be covered in the confidential part of the meeting;
- with regard to overpayments section, officers gave further detail on how the overpayment had occurred. It was confirmed that contrary to the report, the invoice had not been raised.

A Member queried the different stages of appeal (IDRP) open to scheme members, prospective members and beneficiaries. It was noted that Stage 1 was determined by the Head of Pensions, with Stage 2 decided by the Monitoring Officer. If the appeal was not upheld at either of those stages, the individual then had up to three years from the event being complained about to take the case to the Ombudsman.

With regard to the overpayment of a pension totalling £16,473, a Member asked if the appropriate procedures were now in place. Officers were confident that the workflow in the new team was now managed as it should be, and checks had been made to ensure that any other cases falling in the timeframe of the team transfer had all been done correctly. It was confirmed that the payment had been made into a joint account. The usual processes by which the Fund was notified of a death were outlined. The Chair expressed concern regarding the welfare of the individual who had received the overpayment: assuming that this had been in good faith on the part of that individual, what impact would the repayment have on them, i.e. had they accepted there had been an overpayment and were they in a position to pay it back? Officers confirmed that the individual was aware there had been an overpayment, but because third party details were awaited, the final invoice had not yet

been issued. The Fund was always sensitive to the individual's position in these circumstances, and there was an option to spread payments, so that they were not in a situation which caused financial hardship.

With regard to the unprocessed leaver records, a Member asked how the Fund compared against peers. Officers advised that they had raised this question with the Actuary, who confirmed that the Cambridgeshire Fund's position was aligned to that of other LGPS funds. However, the Head of Pensions commented that he would like this figure to be reduced. He also outlined how the figure could be artificially inflated, e.g. following a pay award after a member had left, which effectively appeared as a new record on the Payroll system.

The Chair commented that it was regrettable that the Fund had Red and Amber KPIs, and asked for officers' assurance that this would improve. Officers confirmed that the Red KPIs related to the staffing issues, and they did expect these to improve. The Amber KPIs mainly related to the challenging targets the Fund had set itself, compared to industry standards e.g. a five day target compared to an industry standard of twenty days.

It was unanimously resolved to:

note the Administration Performance Report.

123. Pension Fund Annual Business Plan and Medium-Term Update 2023-24 to 2025-26

The Committee considered an update to the Business Plan, which set out progress against key activities. It was noted that the final accounts would be considered at the next Committee meeting.

In terms of RAG status of activities, there were two Ambers: one had arisen a number of times, the processing of undecided leavers, and the reasons for this were detailed, which were largely outside the control of the Fund. The ACCESS issue would be covered later in the meeting.

Officers were also trying to establish that the Fund had the right level of processes in a number of areas, and to ascertain if sufficient resources were available to support those processes. Other key issues were the quality of data coming from scheme employers.

A Member asked about cyber resilience. Officers confirmed that the Fund was far ahead of most funds in LGPS universe, and outlined the measures taken. Information on this issue from previous meetings could be shared with new Committee Members. The Chair confirmed that this issue had been high on the Committee's agenda for some time, and a lot of work had been undertaken to review real flows of data.

In response to a query on the reprocurement of the mortality screening contract, it was noted that most procurement was undertaken through national frameworks. This framework in question had not been renewed, but would come forward in future. To keep the service consistent between the Cambridgeshire and Northamptonshire Funds, the contract had been extended for twelve months, in anticipation of the new framework and what that may offer. In terms of cost, this was not a high value contract, and the current pricing level had been honoured. Officers confirmed that they were confident that the right procurement processes were in place, and they would be more aware of the issue of breaks in frameworks in future.

It was unanimously resolved to:

note the Business Plan Update.

124. Governance and Compliance Report

Members received a report on governance issues concerning the Local Government Pension Scheme (LGPS) on a national and local basis, and also details of forthcoming training events.

There had been no further update on the Pensions Dashboard, following the government announcement that the connection deadlines had been reset. The programme would still go ahead, but consensus needed to be reached by the main departments and parties involved. The team was continuing with the data standards side of preparations.

The Pension Regulator had introduced a checklist to help prepare for Dashboard duties, which the team was starting to populate. This would be brought back to future meetings so that Members were aware of progress.

With regard to the McCloud remedy, the Scheme Advisory Board had published guidance in March to assist administering authorities with McCloud data issues. This set out options that authorities may consider if they were unable to collect data needed to implement the McCloud remedy. Following the original consultation on the McCloud judgement in 2020, a further consultation was issued on 30th May, which would run until 30th June. This focussed on supplementary issues and scheme regulations surrounding the McCloud remedy. Some elements covering in terms of what was not covered last time.

The Scheme Advisory Board had issued a Statement on the increasing number of FOI requests on climate advice and data. Whilst this was a matter for Scheme Employers, this Statement recommended that all Funds had a proactive publication scheme in place for climate data and stewardship activities to minimise the volume of ad hoc requests.

Members also noted:

- how updates would be applied in relation to the CARE (Career Average Revalued Earnings) evaluation;
- that non material changes that were due to be applied to the Administering Authority Discretions Strategy and Anti-Fraud and Corruption Policy;
- the new LGPS Online Learning Academy platform was now live, and Members were encouraged to ensure they could sign in and navigate the platform.

The Chair highlighted paragraph 3.6.1 of the report, which set out the statutory requirement for Members to maintain the necessary skills and knowledge to undertake their role effectively.

A Member observed that there were often issues large IT infrastructure projects, and asked what impact the Dashboard rollout would have on the delivery of services to Scheme members. Officers advised that there had been early testing on the Dashboard. Administering authorities had been advised that they would be given sufficient notice when the new connection deadlines were issued. It was also noted that the Dashboard would provide a light level of detail. The biggest concern for officers was partial matches, as ensuring matches were correct was critical.

It was resolved unanimously to:

- 1) note the Governance and Compliance Report;
- 2) note the immaterial amendments to be applied to the policies in section 3.5.2.

125. Employer Admissions and Cessations Report

The Committee received a report on the admission of three admitted bodies across five admission agreements, and the cessation of eleven bodies.

Two typos were noted in the report: in paragraph 5.2, Serco should not be named in that part of the report; and the fourth paragraph of Appendix A should refer to Rapid Commercial Cleaning Services Ltd (Granta School).

It was noted that the calculations for Chorus Homes Limited were underway. The Employer was within the payment corridor, so no payment was required either way.

It was resolved unanimously to:

1. note the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:

- Aspens Services Limited x3
- Rapid Commercial Cleaning Services Limited
- Dolce Limited

2. note the cessation of the following bodies from the Cambridgeshire Pension Fund:

- Churchill Contractors Limited
- Taylor Shaw Limited
- NPS Peterborough Limited
- Multi-Active Holiday Courses Limited
- Caterlink UK Limited x2
- ABM Caterlink Limited x2
- Malco Services Limited
- Chorus Homes Group Limited
- Friends Therapeutic Community
- Hertfordshire Catering Service
- Aspens Services Limited

3. note the update on the collection of exit payments and assessment of exit credits for previously reported cessations.

126. Cash Management Strategy

The Committee considered an updated Cash Management Strategy. There had been some minor changes to the Strategy, which included the change in bank from Barclays to NatWest, the decoupling from the LGSS arrangement, and some consequential changes. Officers outlined the main elements of the cashflow on a monthly basis.

Arising from the report:

- a Member asked if there had been any problem with Barclays which had prompted the move to NatWest. Officers confirmed that there was no problem, the contract with Barclays had expired, and the Fund had moved to NatWest, in line the local authority;
- a Member asked if the Risk Register within the Strategy would benefit from having likelihood and impact assessed too. Officers commented that it was preferable to list these in the main Risk Register, which was more dynamic than individual strategy documents. It was agreed that this change would be made to the Strategy in the Operational Issues section, i.e. highlighting that key risks were covered in the overarching Risk Register;
- in response to a question on the overdraft facility, it was confirmed that this was very rarely used. Officers explained how the three accounts with NatWest were “swept” daily, and how there were always sufficient funds in the overarching account to avoid the overdraft being used. This was monitored daily, and if ever there was an expectation that balances may drop to this level, the appropriate level of liquidity would be ensured.

It was unanimously resolved to:

approve the updates to the Cash Management Strategy.

127. Cambridgeshire Pension Committee Forward Agenda Plan

It was resolved to note the Committee Agenda Plan.

128. Exclusion of Press and Public

It was resolved unanimously that the press and public be excluded from the meeting on the grounds that the following items contain exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to the financial or business affairs of any particular person (including the authority holding that information).

129. Confidential minutes of the Pension Fund Committee meeting held 30 March 2023

It was resolved to approve the confidential minutes of the Pension Fund Committee meeting held 30 March 2023.

130. Cambridgeshire Pension Fund Risk Monitoring

Members considered the Pension Fund Risk Register.

It was resolved unanimously to:

Review the Cambridgeshire Pension Fund Risk Register.

131. ACCESS Update

The Committee considered a report on ACCESS Asset Pooling. A verbal update was also provided on the ACCESS Joint Committee meeting that had taken place on 5th June 2023.

It was resolved to note the report.