

PENSION FUND COMMITTEE



Thursday, 08 June 2023

Democratic and Members' Services
Emma Duncan
Service Director: Legal and Governance

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

Red Kite Room

New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE

AGENDA

Open to Public and Press

1. **Apologies for absence and declarations of interest**
Guidance on declaring interests is available at <http://tinyurl.com/ccc-conduct-code>
2. **Public minutes of the Pension Fund Committee held 30 March 2023 and Action Log** **5 - 16**
3. **Petitions and Public Questions**
4. **Administration Performance Report** **17 - 32**
5. **Pension Fund Annual Business Plan Update report 2023-24** **33 - 48**
6. **Governance and Compliance Report** **49 - 62**
7. **Employer Admissions and Cessations Report** **63 - 72**

8. **Cash Management Strategy** 73 - 88
9. **Cambridgeshire Pension Fund Committee Forward Agenda Plan** 89 - 92
10. **Exclusion of Press and Public**
To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains 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)
11. **Confidential minutes of the Pension Fund Committee held 30 March 2023**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
12. **Cambridgeshire Pension Fund Risk Monitoring**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);
13. **ACCESS Update**
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

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The Pension Fund Committee comprises the following members:

Councillor Alison Whelan (Chair) Councillor Catherine Rae (Vice-Chair) Councillor Chris Boden Councillor Andy Coles Mr Lee Phanco Mr Matthew Pink and Mr John Walker Councillor Adela Costello Councillor Peter McDonald Councillor Keith Prentice Councillor Alan Sharp

Clerk Name:	Dawn Cave
Clerk Telephone:	01223 699178
Clerk Email:	dawn.cave@cambridgeshire.gov.uk

Public minutes of the Pension Fund Committee

Date: 30th March 2023

Time: 10:00am – 1.05pm

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors M Atkins (substituting for Cllr Dew), A Costello, C Rae (Vice-Chair), A Sharp, A Whelan (Chair); Fenland District Councillor C Boden; Peterborough City Councillor A Coles; Lee Phanco

Officers: B Barlow, C Blose, D Cave, S Grimshaw, M Oakensen and M Whitby; D Green (Hymans); C West and P Gent (Mercer); S Gervaise Jones (Independent Advisor)

103. Apologies for absence and declarations of Interest

Apologies were presented on behalf of Cllr Dew (Cllr Atkins substituting).

Lee Phanco declared an interest as Chair of the Board of Trustees and Directors of the Kelsey Kerridge Sports Centre, which is one of the Fund's Admitted employers.

104. Public minutes of the Pension Fund Committee meeting held 14 December 2022

The public minutes of the Pension Fund Committee meeting held on 14th December 2022 were approved as a correct record.

With regard to the Action Log, officers advised that they had received some but not all of the required information, and this would be circulated to the Committee in due course.

The Action Log was noted.

105. Petitions and Public Questions

There were no petitions or public questions.

106. Administration Performance Report

The Committee considered a report which set out a number of key areas of administration performance in the period 1 November 2022 to 31 January 2023.

Arising from the report, Members noted:

- over the three month period, service performance has been consistently good with all targets achieved, except for the three 'Ambers' set out in appendix 1;
- a number of changes were proposed to the KPIs, which were set out in Appendix 4. Some changes were for consistency, others were aimed at improving the customer experience, from first point of contact until the benefit was paid;
- a non-material breach of the law, relating to a batch of 301 notification of pension entitlement letters, which were not issued within the statutory deadline. The letters had all been sent out in early February;
- in terms of an update to the challenge to the Employer's decision to award Ill Health retirement benefits, the determination had been received on 6th March, and had not been upheld;
- the case regarding a delay in AVCs in paying an additional lump sum from an AVC fund, resulting in a lower AVC value, had been upheld, and the settlement had been issued on 26th March;
- the overseas transfers case was complex, this had been extended to the end of March.

With regard to the employer referred to in the confidential appendix, contributions had not been received, and the Fund had subsequently been advised that the employer had become insolvent. There was no deficit as this employer had a "pass through" arrangement, but the Fund had been in touch with the liquidator, in an attempt to secure current outstanding contributions. In response to a Member question, it was confirmed that with a pass through agreement, there was ultimately a guarantor to the liabilities, but in the first instance attempts would be made to secure the contributions from the insolvent company.

It was unanimously resolved to:

- 1) approve the proposed development of Key Performance Indicators during 2023/2024 (see section 2.3);
- 2) note the Administration Performance Report.

107. 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.

Members noted:

- the government had recently announced its intention to legislate to move the staging timescales, to enable more time for technical work to be undertaken. This project reset would effect all scheme deadlines, and new timescales were anticipated, although it was expected to be around another twelve months;
- in relation to the new transfer requests guidance, the link to book a Moneyhelper safeguarding appointment had now been incorporated into processes;
- The regulations to enable the revaluation to CARE benefits were due to come into force on 31 March 2023. With regard to the administration system being able to apply the changes, there would be a two phased system, with Stage 1 applied retrospectively for cases in 2022/23, whilst Stage 2 which would look to the future, including considerations coming out of the recent Budget, such as the annual allowance increase;
- a change to the core training delivery was proposed and that element of the Training Strategy would be updated accordingly. A demonstration of the new online platform to assist with this approach had taken place on 6th March.

It was resolved unanimously:

- 1) note the Governance and Compliance Report;
- 2) approve the Training Strategy amendment to reflect the current core mandatory training approach (see section 3.7).

108. Pension Fund Annual Business Plan and Medium-Term Strategy report 2023-24 to 2025-26

The Committee considered an update to the Business Plan.

There was an overview of Business Plan activities for 2022/23, where there were just two 'Red' activities. One related to extending the completion deadline for the Guaranteed Minimum Pension Rectification project, whilst the other related to unprocessed leavers, where there had been a request for additional resources. Both activities would be included in the 2023/24 Business Plan.

The new Business Plan had largely the same format as the previous version, although the Fund accounts had now been updated so that they aligned with the Annual reporting accounts, by adding in non-invoiced investment management charges. There was also reference to a Climate Action Plan, based on the document previously approved by the Committee.

The report included a proposal to streamline the information that comes to Committee by introducing a three-year review cycle for policies and strategies, which would have the benefit of reducing the number of documents routinely considered by the Committee. Any immaterial changes would be delegated to officers to progress, in consultation with the Chair and Vice Chair.

The procurements in the Business Plan activities would be further competition exercises using the LGPS National Frameworks, where suppliers had already been assessed as being able to perform the services through a panel of pension funds. In terms of a Cambridgeshire contract, those procurements would require S151 officer approval, and also Monitoring Officer approval for the sealing of high value contracts.

Arising from the report:

- whilst welcoming the intention to reduce the Committee's workload, a Member commented that he appreciated the detail provided in Committee reports, and he had concerns that "immaterial" changes would only be seen by the Chair and Vice Chair, especially as "immaterial" in the context of the Pension Fund could involve very high numbers. Officers reassured Members that any such immaterial changes would be picked up through the Governance and Compliance report, where the Committee would have the opportunity to challenge and seek further information. Officers would review policies annually, and some policies would still be reviewed by the Committee annually. The Chair also reassured Members that if she felt there was any items that would be of interest to the wider Committee, she would bring them to the Committee's attention;
- a Member noted the objective "*To deliver consistent plain English communications to stakeholders*" and suggested that this colloquialism would be amended to reflect the intention i.e. jargon free, consistent and easy to understand language.

The Committee resolved unanimously to:

- 1) note the status of the 2022/23 business plan activities and current financial position (see section 2);
- 2) approve the contents of the Business Plan and Strategy 2023/24 (see section 3);
- 3) a) approve a change in the Committee review cycle for Fund Strategies and Policies to a standardised 3-year review cycle (or as and when required should Regulations or other factors necessitate an earlier review of the Fund Strategy or Policy) (see section 4);

b) delegate to the Head of Pensions the approval of non-material amendments to Fund Strategies and Policies between triennial reviews (see section 4);
- 4) approve the delegation for the Head of Pensions to progress the procurements within the Business Plan and award contracts to the successful suppliers (see section 5).

109. Overpayment of Pension Entitlement Policy

The Committee considered the revised Overpayment of Pension Policy.

The revised policy provided additional clarity on the process in place for recovering lump sum overpayments. It was stressed that these were relatively infrequent, but may occur e.g. in cases where the Employer may have reversed their decision, or provided incorrect information. It was stressed that any write offs would be considered on a case by case basis. Following review by the Local Pension Fund Board, the limitation period example dates had been updated.

A Member asked why £250 had been selected as the de minimis threshold for seeking to recover overpayments. It was noted that this threshold was in the policy previous, following research undertaken at that time into best practice. Following discussion, it was agreed that a report would be brought back to Committee on this issue to a future meeting.

Action required.

The Committee resolved unanimously to approve the Overpayment of Pension Entitlement Policy.

110. Communications Strategy

Members considered an updated Communications Strategy. This included a communications plan for 2023-24, detailing the communications activities to be undertaken within the scheme year, and recommendations that had emerged as a result of the user-led review of the Fund's website.

The number of scheme members had increased from around 78,000 to around 92,000. This increase was mainly due to those scheme members classed as 'undecided leavers' now being included in the deferred member category, to be consistent with the annual report and accounts, whereas in the previous strategy those members were omitted. A new section on lifestyle communications had been included, to make communications more engaging e.g. linking in to exciting lifestyle events such as marriage or promotion. A new section on performance indicators was included, the key information being monitored being the proportion of members that have registered for their online pension account, and the proportion of members that have opted out of electronic communications.

The Communications Plan set out some of the key projects such as McCloud and the Pensions Dashboard activities, Pension Awareness Week, etc.

Over 1700 members and employers were surveyed to find out what they most wanted to know about pensions. Based on this, the content of the website was being restructured, with the prototype being tested on employers, members, and staff.

A Member advised that he was often contacted by scheme members with queries, and it would be helpful to direct them to a single point of contact. Officers advised that there was contact information on the homepage, but they would review this when testing the new webpages.

There was a discussion around communicating pension issues, which many recipients may find too daunting or not interesting, especially if there were numerous messages. It was noted that unless scheme members approached the service, there was only one communication annually. It was acknowledged that many members may not be very engaged, and the Fund had to strike a balance in terms of meeting its statutory obligations and communicating appropriately.

It was agreed that when the McCloud outcome was communicated to scheme members, Committee Members would be copied in, so they were aware of what had been sent to scheme members and could respond to any queries accordingly. **Action required.**

The Committee resolved unanimously to:

- 1) approve the Communication Strategy (see section 3.1)
- 2) approve the Communication Plan (see section 3.2)
- 3) note the work being undertaken on the website development review (see section 3.3)

111. Employer Admissions and Cessations report

The Committee received a report on the admission of one community admission body and two transferee admission bodies, and the cessation of eight bodies.

Members noted the update on the collection of exit payments and assessment of exit credits for previously reported cessations.

It was resolved unanimously to:

1. approve the admission of the following Community Admission Body and to approve the sealing of the admission agreement.

- Cambridge BID

2. 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 x 4
- Hertfordshire Catering Limited

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

- ABM Catering Limited
- Aspens Services Limited x 2
- Busy Bee Cleaning Services
- Compass Services Limited
- Conservators of the River Cam
- Elior UK Limited
- Lunchtime Company Limited
- The Edmund Trust

112. Cambridgeshire Pension Committee Forward Agenda Plan

The Committee considered the forward Agenda Plan. It was noted that a refreshed agenda plan would be presented to the next meeting, incorporating the activities arising from the Business Plan review cycle.

Members noted that:

- the long awaited Code of Practice action plan was now expected in April;
- the Good Governance review was now likely to be rescheduled to a later date.

It was resolved to note the Committee Agenda Plan.

113. 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).

114. Confidential minutes of the Pension Fund Committee meetings held 25 October and 14 December 2022

It was resolved to approve the confidential minutes of the Pension Fund Committee meetings held 25 October and 14 December 2022.

115. Managed Exits

Members considered a report proposing debt spreading arrangements for two employers.

Subject to the points being raised in discussion being explored by officers, it was resolved unanimously to approve the report recommendations.

116. Cambridgeshire Pension Fund - Valuation Update

Members considered a report summarising progress with the triennial valuation project. The report also included the Funding Strategy Statement, which had been developed following consultation with Scheme employers.

It was resolved unanimously to:

1. note the valuation update and final valuation report;
2. approve the draft Funding Strategy Statement following consultation with Scheme employers.

117. Investment Strategy Review

The Committee considered a revised Strategic Asset Allocation proposed by the Fund's investment advisors, Mercer.

It was resolved unanimously to agree the report recommendations.

118. ACCESS Update

The Committee considered a report on ACCESS Asset Pooling.

It was resolved to agree the report recommendations.

This log captures the actions from the Pension Fund Committee of the 30 March 2023 together with any carried forward items from previous meetings and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as of 26 May 2023.

Actions from 30 March 2023 meeting of the Pension Fund Committee

Item No.	Item	Action to be taken by	Issue	Action/Status
108	Pension Fund Annual Business Plan and Medium-Term Strategy report 2023-24 to 2025-26	Mark Whitby	A Member suggested the objective <i>“To deliver consistent plain English communications to stakeholders”</i> was a colloquialism and recommended that this could be amended to reflect the intention i.e. jargon free, consistent and easy to understand language.	Completed. The Business Plan objective has been updated to read - ‘to deliver accessible communications to stakeholders’. A link to the final document including updated financial information can be found here .
109	Overpayment of Pension Entitlement Policy	Michelle Oakensen	A Member asked why £250 had been selected as the de minimis threshold for seeking to recover overpayments. It was noted that this threshold was in the policy previous, following research undertaken at that time into best practice. Following discussion, it was agreed that a report would be brought back to Committee on this issue to a future meeting.	Completed. The ability to write off sums for genuine errors below £250 is governed by the HMRC. For payments less than £250 the scheme administrator does not have to report the unauthorised payment to the HMRC. In March 2019 the Committee agreed to increase the de minimis from £100 to £250 in line with this approach.
110	Communication Strategy	Sharon Grimshaw	It was agreed that when the McCloud outcome was communicated to scheme members, Committee Members would be copied in, so they were aware of what had been sent to scheme members and could respond to any queries accordingly.	In progress. McCloud articles have been included in the deferred member and active member newsletters. The deferred member newsletter has been shared with the Committee. The active member newsletter will be shared once it's been signed off.

Item No.	Item	Action to be taken by	Issue	Action/Status
115	Managed Exits	Cory Blose	Officers advised that they could investigate the possibility of formal charges for appropriate cases and report back to the Committee.	In progress. Legal advice has been received on these matters and a briefing is being prepared for the Chair to determine whether a Debt spreading Arrangement can be finalised in each case in light of the Committee's conditional agreement to the Managed Exit recommendations. Further updates will be provided via the Admissions and Cessations report once available.
116	Cambridgeshire Pension Fund – Valuation Update	Cory Blose	A Member queried the total contribution (primary rate plus secondary rate) for an employer in the Fund which was 92.8% in both 2024/45 and 2025/26, given that figure appeared to be extraordinarily high. The Actuary agreed to provide a response to this outside the meeting, but it was noted that there was a high secondary rate (cash element) and it was likely to be the size of this very new employer which was distorting the picture.	Completed. This employer ceased before the valuation was completed. The contribution rate looked high as they only had 1 member at the point of valuation. The value of the deficit payment is initially calculated in cash therefore when converted to a percentage of pay for such a small employer, the contribution looks large compared to the value of the payroll.

Outstanding actions from 14 December 2022 meeting of the Pension Fund Committee

Item No.	Item	Action to be taken by	Issue	Action/Status
101	Cambridgeshire Pension Fund Risk Register	Michelle Oakensen	A Member commented that insurance may be something to consider as there was both a material and reputational risk. Officers were not aware of other Pension Funds putting cyber insurance in place but agreed to explore this area.	Completed. Circulated outside of the meeting 25/5/2023.

Item No.	Item	Action to be taken by	Issue	Action/Status
101	Cambridgeshire Pension Fund Risk Register	Michelle Oakensen	A Member observed that many of the highest risks related to national issues and asked if discussions were taking place with the relevant government agencies, given that the Pension Fund was a wealthy and attractive target for potential cyber-attacks. Officers explained that they worked closely with Cyber Managers at both Cambridgeshire County Council and West Northamptonshire Councils, who were likely to be receiving intelligence from the relevant agencies nationally but agreed to follow up on that.	Completed. Circulated outside of the meeting 25/5/2023.

Cambridgeshire Pension Fund

Pension Fund Committee

8 June 2023

Report by: Head of Pensions

Subject: Administration Performance Report

Purpose of the Report: To present the Administration Performance Report to the Pension Fund Committee

Recommendations: The Pension Fund Committee is asked to note the Administration Performance Report

Enquiries to: Michelle Oakensen
Governance and Regulations Manager
michelle.oakensen@westnorthants.gov.uk

1. Background

- 1.1 One of the core functions of the Pension Fund Committee is to ensure the effective and efficient governance and administration of the scheme. This report demonstrates a number of key areas of administration performance for consideration by the Pension Fund Committee.

2. Executive Summary

- 2.1 This report sets out the performance of the Cambridgeshire Pension Fund on the following areas of administration:
 - 2.1.1 The achievement against the Key Performance Indicators for the period 1 February to 30 April 2023 (section 3.1 & appendix 1). The majority of KPIs were met over the period.
 - 2.1.2 Progress on the development of the Pension Service Key Performance Indicators (section 3.2).
 - 2.1.3 Timeliness of receipt of employee and employer pension contributions for the payroll periods of April 2022 to March 2023 (section 4 & appendix 2/3). Over 99% was achieved for January, February and March 2023.
 - 2.1.4 Occurrences of breaches of the law for the period 1 February to 30 April 2023 (section 5). There were no material breaches in the period.
 - 2.1.5 Details of any Internal Dispute Resolution Procedure cases during the period 1 February to 30 April 2023 (section 6). There were three administering authority disputes raised during the period and one employer dispute raised.

- 2.1.6 Details of the Data Improvement Plan for the 2023/24 year (section 7 & appendix 4). Three key areas have been identified.
- 2.1.7 Occurrences of material data breaches for the period of 1 February to 30 April 2023 (section 8). There were no material data breaches in the period.
- 2.1.8 Details of any significant overpayment of pension for the period 1 February to 30 April 2023 (section 9). There was one significant overpayment for the period.

3. Key Performance Indicators

3.1 Pension Service performance against Key Performance Indicators

- 3.1.1 The Pension Fund Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of the Pensions Service.
- 3.1.2 Full KPI details for the period 1 February to 30 April 2023 can be found in appendix 1.
- 3.1.3 Over the 3-month period service performance has been consistently good with all targets being met with the exception of four.
- 3.1.4 In February one target was missed (amber) for providing a transfer in quote due to a training issue within the team which has since resolved.
- 3.1.5 In March one target was missed (red) for the payment of benefits from active employment due to inexperience within the team and additional training required, as newer members become more experienced the performance in this area will improve. In addition, there was also a period of long-term sick.
- 3.1.6 In April targets were missed for the payment of benefits from active employment (red) and providing a maximum of one estimate of benefits to employees per year on request (amber) due to the same issues as above. In addition, in April there was an error on some case review dates following closedown activities which also impacted the team.

3.2 Development of the Pension Service Key Performance Indicators

- 3.2.1 New and supplementary KPIs are being developed during 2023-24 to measure the overall customer journey as approved by the Committee in March.
- 3.2.2 Development of the new and supplementary KPIs is underway, from June these will enter a period of testing before being reported to the Committee and Board.

4. Receipt of Employee and Employer Contributions

- 4.1 Employers in the Fund have a statutory obligation to arrange for the correct deduction of employee and employer contributions and to ensure payment reaches the Pension Fund by the 19th of the month following the month of deduction. They must also provide an associated monthly statement/schedule in a format acceptable to the Administering Authority.
- 4.2 The table in appendix 3 shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions and/or submitted their schedules on time or late for the period 1 April to 31 March 2023.

- 4.3 For January 100% of contributions were paid on time, for February 99.8% and for March 100%. The current yearly average for payments made on time is 99.6% and schedules being received on time is 99.5%.
- 4.4 Details of any late payments can be found in appendix 4.

5. Breaches of the Law

- 5.1 There are various laws relating to the Local Government Pension Scheme, with various individuals, including the Pension Fund Board, having a statutory duty to report material breaches of the law to the Regulator. The Cambridgeshire Pension Fund maintains a record of both material breaches that are reported to the Pensions Regulator as well breaches that are deemed not to be of material significance and so are not reported to the Pensions Regulator.
- 5.2 For the period 1 February to 30 April 2023, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	6 refund of contribution payments were paid outside of the statutory 5-year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the 5-year requirement.
	1 refund of contribution payment paid to a member over the age of 75.	Unauthorised payment made with the member electing to self- declare to the HMRC.

6. Internal Dispute Resolution Procedure

- 6.1 Members, prospective members, and beneficiaries may not always agree with pension decisions that are made or may be unhappy that decisions have not been made, by either an administering authority or a scheme employer. The Internal Dispute Resolution Procedure (IDRP) is the route by which they may raise their concerns and challenge such decisions.
- 6.2 The following tables detail that activity undertaken during the period 1 February to 30 April 2023 with regards to administering authority and employer disputes.
- 6.3 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date Received	Date Decision Due	Decision: Upheld/not upheld/partially upheld	Date of Decision
Challenging the process followed, in allowing a transfer to an overseas scheme to take place in 2015.	13 December 2022	12 February 2023 extended to 6 March 2023	Not upheld	6 March 2023
Complaint of maladministration following delays in paying AVCs to a member upon retirement.	30 January 2023	29 March 2023	Upheld	28 March 2023
Refusal to pay 50% widow's pension following death of a pensioner.	13 February 2023	12 April 2023 extended to 26 April 2023	Not upheld	24 April 2023

6.4 Stage 2 disputes:

Nature of Stage 2 Dispute (CCC Monitoring Officer)	Date Received	Date Decision Due	Decision: Upheld/not upheld/partially upheld	Date of Decision
Refusal to pay 50% widow's pension following death of a pensioner (relating to the Stage 1 decision made on 24 April 2023)	2 May 2023	1 July 2023		
Challenging Tier 3 entitlement following dismissal by employer on ill health grounds	13 December 2022	12 February 2023 extended to 6 March 2023	Not upheld	6 March 2023

7. Data Improvement Plan

- 7.1 The Pensions Regulator requires every pension scheme to have a Data Improvement Policy and a Data Improvement Plan. The Fund's Data Improvement Plan was last reviewed and approved the Pension Committee in July 2022. The Data Improvement Plan is updated each year accordingly. The revised plan for 2023/24 can be found in appendix 5.
- 7.2 For a number of years the Pensions Regulator has asked pension schemes to score their quality of data. It should be noted that the Pensions Regulator has not issued specific guidance on this other than what type of data should be scored. As such each pension scheme is likely to score their data differently. An analysis of the data quality scores across all pension schemes has yet to be produced from the data provided annually in the Pension Regulator's mandatory scheme return.
- 7.3 In April 2023, an analysis of the Fund's common data was undertaken which provided the following scores. Common data is largely the personal details of the scheme member (name, national insurance number, address, date joined and/or left scheme). The Pensions Regulator expects pension schemes to have a score of at least 95% in this area.

- 7.4 The approach to increasing the Fund's score is detailed in the Data Improvement Plan which can be located in appendix 5.

2023		2022	
Common Data	Conditional Data	Common Data	Conditional Data
95.1%	To be updated in November 2023 once all 2022/23 year end activities have been completed.	95%	95%

- 7.5 Conditional data is the data required to calculate the scheme member's pension entitlement. The score for this area will be calculated in November 2023 once all the 2022/23 year end activities such as pensions increase, annual allowance and year end reconciliations have been conducted.

8. Material Data Breaches

- 8.1 None.

9. Significant overpayments of pension

- 9.1 In February 2023 it was confirmed to the Pensions Service, via the monthly mortality screening process, that one of the Fund's pensioners had died in January 2021 causing a net overpayment of pension £16,473.18.

Previously In March 2021, the Fund was provided with a "low confidence" result via the screening process and following the agreed procedure a "get in touch" letter was sent to the address identified by the mortality screening provider and subsequently the pensioners address held on the system to try and establish the validity of the result. These attempts provided no response, and the pension should therefore have been suspended at this time, however payments continued to be paid to the existing account which was jointly held with the pensioner's spouse.

An invoice has been raised to recover the overpayment.

10. Relevant Pension Fund Objectives

Has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. *Objective 1*

Manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2*

Ensures the relevant stakeholders responsible for managing, governing and administering the Fund, understands its' roles and responsibilities and has the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. *Objective 3*

Continually monitors and measure clearly articulated objectives through business planning *Objective 4*

Continually monitors and manages risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

Puts in place performance standards for the Fund and its employers and ensures these are monitored and developed as necessary. *Objective 8*

Administers the Fund in a professional and efficient manner, utilising technological solutions and collaboration. *Objective 10*

11. Risk Management

11.1 The Fund's Administration Strategy sets out the performance standards of both the scheme employer and the administering authority. The Pension Fund Committee and Pension Fund Board are expected to monitor performance standards through information contained within the Administration Report which is presented at each meeting.

11.2 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Information may not be provided to stakeholders as required.	Green
Those charged with governance are unable to fulfil their responsibilities effectively	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green

11.3 The Fund's risk register can be found on the Pensions website at the following link: [Cambridgeshire Pension Fund Risk Register](#).

12. Communication Implications

12.1 Direct communications: The Fund publishes performance against the key performance indicators in the regular reports to the Pension Fund Committee and Pension Fund Board and in the Fund's Annual Report. Employers of the Fund are guided through the admission process and directly kept up to date with requirements and progress. Members who enter the Internal Dispute Resolution Procedure are kept informed of progress within the statutory timescales.

13. Finance & Resources Implications

13.1 The Fund is seeking recovery of the overpayment as detailed in section 7 of the report in order to mitigate any impact on the Fund or scheme employers.

14. Legal Implications

14.1 Legal advice was sought from the Fund's advisors in relation to the Internal Dispute Resolution Procedure as referenced in section 6.

15. Consultation with Key Advisers

15.1 Aon conducted the Key Performance Indicator review.

16. Alternative Options Considered

16.1 Not applicable

17. Background Papers

17.1 Not applicable

18. Appendices

18.1 Appendix 1 Key Performance Indicators – Pensions Service

18.2 Appendix 2 Receipt of Employee and Employer Contributions

18.3 Appendix 3 Late payment of employer contributions (**exempt**)

18.4 Appendix 4 Data Improvement Plan

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 26/5/2023

Has this report been cleared by Head of Pensions? Mark Whitby – 10/5/2023

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 26/5/2023

Has this report been cleared by Legal Services? Emma Duncan – 11/5/2023

Appendix 1 - Key Performance Indicators – Pensions Service February, March and April 2023

Function/Task	Indicator	Target	Month	Completed	Within Target	Over Target	% Within Target	RAG	Comments
Notify leavers of deferred benefit entitlement	Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information.	90%	February March April	231 177 278	222 172 272	9 5 6	96 97 98	Green Green Green	SLA target met SLA target met SLA target met
Payment of retirement benefits from active employment	Notify employees retiring from active membership of benefits award, from date payable or date of receiving all necessary information if later within 5 working days.	95%	February March April	20 36 64	19 30 51	1 6 13	95 83 80	Green Red Red	SLA target met SLA target not met* SLA target not met*
Payment of pension benefits from deferred membership status	Notify members retiring from deferred membership status of benefits award, from date payable or date of receiving all necessary information if later within 10 working days.	90%	February March April	57 72 65	54 65 59	3 7 6	95 90 91	Green Green Green	SLA target met SLA target met SLA target met
Award dependant benefits	Issue award within 5 working days of receiving all necessary information.	95%	February March April	16 36 21	16 35 21	0 1 0	100 97 100	Green Green Green	SLA target met SLA target met SLA target met
Provide a maximum of one estimate of benefits to employees per year on request	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	February March April	45 86 68	43 79 59	2 7 9	96 92 87	Green Green Amber	SLA target met SLA target met SLA target not met**

Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information.	95%	February March April	51 40 33	48 39 32	3 1 1	94 98 97	Amber Green Green	SLA target not met*** SLA target met SLA target met
Payment of transfer out	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	February March April	19 30 5	18 28 5	1 2 0	95 93 100	Green Green Green	SLA target met SLA target met SLA target met

* Payment of retirement benefits from active employment – targets missed in March and April due to inexperience within the team and additional training required, this will resolve as newer members become more experienced. There was also a period of long-term sick on the team for the period and in April there was an error on some case review dates following closedown activities which also contributed to the missed target.

** Provide a maximum of one estimate of benefits to employees per year on request – target missed in April due to inexperience within the team and additional training required, this will resolve as the new members become more experienced. In addition, there was one member of the team on long term sick.

***Provide transfer-in quote to scheme member – target missed for February due to a training issue within in the team which has been addressed.

Green: Equal to or above Service Level Agreement (SLA) target.

Amber: If there is a statutory target - below SLA target, but all within statutory target.
If there is no statutory target - below SLA target, but number completed within target is within 10% of the SLA target.

Red: If there is a statutory target - below SLA target and not within statutory target.
If there is no statutory target - below SLA target and number completed within target is not within 10% of the SLA target

Appendix 2 - Receipt of Employee and Employer Contributions

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
April 2022	100	0	99.4	0.6
May 2022	99.2	0.8	99.6	0.4
June 2022	99.6	0.4	98.2	1.8
July 2022	99.8	0.2	100	0
August 2022	100	0	100	0
September 2022	99.2	0.8	99.6	0.4
October 2022	99.8	0.2	99.8	0.2
November 2022	98.5	1.5	98.5	1.5
December 2022	99.8	0.2	99.8	0.2
January 2023	100	0	99.6	0.4
February 2023	99.8	0.2	100	0
March 2023	100	0	100	0
Average for period	99.6	0.4	99.5	0.5

Data Improvement Plan 2023/24 – Cambridgeshire Pension Fund

	Area of Improvement	Risk	Action	Number of affected records	Resolution timescale	Resource required
1	Common data (Basic details about the scheme member such as date of birth, national insurance number, address)	If basic personal details such as date of birth are incorrect benefit entitlement may be calculated incorrectly which may adversely impact the scheme member, scheme employer or Fund. If a correct home address is not held scheme members may also not receive important communications about their benefits.	Most of the scheme's common data fails are missing or incorrect addresses so the focus will be on this area. Ensuring that all returned items of post are followed up by using the Fund's Address Tracing Service to obtain the correct address for the scheme member. Ensuring all personalised (non-bulk) communications where no address is held on the record for the individual are traced through the Fund's Address Tracing service. <i>(In the past it has not proved to be cost or time effective to conduct large scale bulk address tracing exercises).</i>	Approx. 3,500	Ongoing	All Officers within the Pensions Service (BAU activity)
2	Guaranteed Minimum Pension (GMP) rectification (Address the inaccuracies of contracting-out data held by HMRC compared with what is held by the Fund)	Inaccurate GMP data can lead to a miscalculation of individual pension liabilities and future annual increases which may adversely impact the scheme member, scheme employer or Fund.	Pensions in payment that have been identified as having differing amounts of GMP when compared with HMRC now require recalculation. Both over and underpayments will be identified. Pensions will need to be paid at the revised correct rate with any overpayments solely relating to GMP being written off and any underpayments being paid to the member with interest.	667	31 March 2024	Officers from the Projects Team



Administered in partnership

	Area of Improvement	Risk	Action	Number of affected records	Resolution timescale	Resource required
3	Unprocessed leaver records (backlog) The Fund has a number of records where a member has left a period of pensionable employment, is not entitled to immediate payment of pension benefits, but is entitled to either a refund of contributions, aggregation with another period of pensionable membership and/or a deferred pension award.	These cases need to be resolved to ensure that members receive timely information on the benefits that they are entitled to. A significant number of these records are in progress for a variety of reasons, including outstanding information required from the employer. Any case which is older than 6 months since the point of notification is classed as a backlog and reported through this business plan activity.	To reduce the backlog by 2,500 cases per year via both manual and bulk processing.	8,500	September 2025	Officers from the Projects Team

Cambridgeshire Pension Fund

Pension Fund Committee.

Date: 8 June 2023

Report by: Head of Pensions

Subject: Pension Fund Annual Business Plan Update report 2023/24.

Purpose of the Report: To present the Business Plan Update.

Recommendation: The Pension Fund Committee is asked to:
1) note the Business Plan Update.

Enquiries to: Mark Whitby
Head of Pensions
mark.whitby@westnorthants.gov.uk

1. Background.

- 1.1 Good governance requires that updates to the pre-agreed Annual Business Plan and Medium-Term Strategy are provided to the Committee on a regular basis. This update highlights the progress made on the key activities for the period.

2. Executive summary.

- 2.1 The Cambridgeshire Pension Fund has for many years considered it good governance to have in place a Business Plan and Medium-Term Strategy that is agreed annually and regularly monitored by the Committee.
- 2.2 The report summarises the progress made on each activity for the period under review.
- 2.3 Section 3 of this report provides a progress update for each business plan activity. The table below provides an overview of the RAG status of each activity.

Paragraph	Activity	RAG status
3.1	Re-tender for benefits and governance consultancy services.	Green
3.2	Re-tender for actuarial consultancy services.	Green
3.3	Re-tender for legal services provider.	Green
3.4	Re-tender for pensions administration and pensioner payroll platform.	Green
3.5	Address and mortality screening Services.	Green
3.6	Review and implement changes required from the Pension Regulator's new Code of Practice.	Green
3.7	Continue to review cyber resilience.	Green
3.8	Implement the best practice recommendations of the good governance review.	Green
3.9	Review the administrative performance of the Fund's additional voluntary contribution providers.	Green
3.10	Complete the Guaranteed Minimum Pension Rectification.	Green
3.11	Application of the McCloud age discrimination remedy.	Green
3.12	Prepare for the implementation of Pension Dashboards.	Green
3.13	Processing of undecided leaver records.	Amber
3.14	Continue development of the ACCESS asset pool.	Amber
3.15	Continue activities within the Fund's Climate Action Plan.	Green
3.16	Implement the revised Investment Strategy.	Green
3.17	Implement recommendations from the review of the website and digital communications.	Green

2.5 The tables in appendix A provide an update of the Fund account, investment and administration income and expenditure against the cash flow projection outlined in the Annual Business Plan as agreed by the Pension Fund Committee in March 2023. There are no material variances identified.

2.6 The link to the full Business Plan approved by the Committee in March 2023 is provided in section 11 for full context and reference.

Procurement of Services.

3.1 Re-tender for benefits and governance consultancy services.

3.1.1 Activity: To re-tender for the supplier of benefits and governance consultancy services currently with Aon due to expire 31 March 2024.

3.1.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Register to access national LGPS Frameworks.	May 2023.	Completed.
Draft specification of services required an associated documentation.	June – July 2023.	On target.
Issue invitation to tender to suppliers on the Framework.	September 2023.	On target.
Evaluate tender responses.	October - November 2023.	On target.
Award contract.	January 2024.	On target.

3.1.4 Update: Officers have registered to access the national LGPS Framework and have all documentation to start preparing for the tender process.

3.2 Re-tender for actuarial consultancy services.

3.2.1 Activity: To re-tender for the supplier of actuarial services currently with Hymans Robertson due to expire 31 March 2024.

3.2.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Register to access national LGPS Frameworks.	May 2023.	Completed.
Draft specification of services required and associated documentation.	June – July 2023.	On target.
Issue invitation to tender to suppliers on the Framework.	September 2023.	On target.
Evaluate Tender responses.	October – November 2023.	On target.
Award Contract.	January 2024.	On target.

3.2.3 Update: Officers have registered to access the national LGPS Framework and have all documentation to start preparing for the tender process.

3.3 Re-tender for legal services provider.

3.3.1 Activity: To re-tender for the supplier of legal services currently with Squire Patten Boggs due to expire 31 March 2024.

3.3.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Register to access national LGPS Frameworks.	July 2023.	Completed.
Draft specification of services required an associated documentation.	July – August 2023.	On target.
Issue invitation to tender to suppliers on the Framework.	September 2023.	On target.
Evaluate tender responses.	October - November 2023.	On target.
Award contract.	December 2023.	On target.

3.3.3 Update: Officers have registered to access the national LGPS Framework and have all documentation to start preparing for the tender process.

3.4 Re-tender for pensions administration and pensioner payroll platform.

3.4.1 Activity: To re-tender for pensions administration and pensioner payroll platform currently with Heywood that is due to cease in September 2024.

3.4.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Invitation to Further Competition exercise using National LGPS Frameworks.	April - June 2023.	On target.
Evaluation and award.	July - September 2023.	On target.
Year 0 transitional period.	October 2023 - September 2024.	On target.
Go Live.	1 October 2024.	On target.

Update: Invitation to further competition was published 24 April 2023 with a closing date for responses of 19 June 2023.

3.5 Review address and mortality screening services.

3.5.1 Activity: The current contract for address tracing and mortality screening ceases in June 2023 with no ability to extend.

Options are being considered as to the delivery of these services from June 2023 onwards.

3.5.2 Key milestones:

Key Milestones	Dates	On target for completion?
Develop a contract to enable the continuation of services past June 2023 (with the assistance of legal services).	April - May 2023.	On target.
Both parties to sign up to new contract on existing terms.	May 2023.	On target.
Review new LGPS Framework offerings and internal Fraud Hub options.	December 2023.	On target.

Update: Accurate Data Services have agreed to enter into a new short-term contract on existing terms for a period of 12 months. This will allow time to review the LGPS National Framework due for release in December 2023 and to review the Government Fraud Hub. Further milestones will be added once a decision has been made in December as to which long term route to take.

Core governance activities.

3.6 Review and implement changes required from the Pension Regulator's new Code of Practice.

3.6.1 Activity: In March 2021 the Pensions Regulator launched a consultation on its revised code of practice for the pensions industry. The responses to the consultation have taken the Pensions Regulator longer than expected to digest and as such the new code of practice was expected to come into force early 2023. Once the code of practice is in force, the Fund will have six months to achieve full compliance with its contents.

3.6.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Develop an action plan of changes required on launch of code of practice.	TBC.	Awaiting release of the Code.
Present action plan to the Pension Fund Committee and Pension Board	TBC.	Awaiting release of the Code.
Present update on progress on action plan to the Pension Fund Committee and Pension Board.	TBC.	Awaiting release of the Code.

3.6.3 Update: The singular Code of Practice was due to be released by the Pensions Regulator in April 2023, but it did not materialise at this time. Once the Code is released funds will have 6 months to become fully compliant and an action plan will be developed to ensure this is achieved.

3.7 Continue to review cyber resilience.

3.7.1 Activity: Cyber-crime will continue to evolve and become increasingly sophisticated and as such this area will be regularly reviewed and monitored. The cyber action plan will be updated as and when necessary.

3.7.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Ongoing monitoring and development of the cyber strategy and action plan via the Business Plan Updates at each meeting of the Pension Committee and Pension Board.	April 2023 – March 2024.	On target.

3.7.3 Update: Work is continuing on our lower risk suppliers and information will be brought to the Committee at a later meeting date. Cyber security features as part of our ongoing risk monitoring process to capture any changes in approach that may be required.

The cyber activity action plan can be found in appendix B (exempt).

3.8 Implement the best practice recommendations of the good governance review.

3.8.1 Activity: Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of DLUHC to amend scheme regulations and publish statutory guidance, others by SAB and others for Funds to implement as best practice.

The standards are due to be issued in 2023.

3.8.2 Key milestones:

Key Milestones	Dates	On target for completion?
Develop an action plan to implement the best practice activities.	TBC.	Awaiting release of the standards.
Present update on progress on action plan to the Pension Fund Committee and Pension Board.	TBC.	Awaiting release of the standards.
Implementation of activities requiring SAB and DLUHC guidance.	TBC.	Awaiting release of the standards.

3.8.3 Update: No activity to report for this period.

3.9 Review the administrative performance of the Fund's additional voluntary contribution providers.

3.9.1 Activity: The Fund has two additional voluntary contribution (AVC) providers, Utmost Life and Prudential.

Since 2020 LGPS Funds across the country collectively became concerned about the administrative performance of Prudential citing cases of not allocating contributions to members' accounts in a reasonable time period and the disinvestment of funds from members' accounts taking several months to complete.

Although Funds are starting to see improvements with the administrative performance of Prudential it is now a good opportunity to conduct a review of the two AVC providers to ensure they remain suitable options for Cambridgeshire scheme members.

3.9.2 Key milestones:

Key Milestone	Dates	On target for completion?
Present to the Pension Committee the findings of the independent review alongside any recommendations for action (the timing of this will depend on the co-operation of the AVC providers in providing the necessary information for analysis by Aon.	October 2023.	On target.

3.9.3 Update: Officers have requested for Aon to undertake the Additional Voluntary Contribution review and have provided the scope and timeframe. A report is due to be brought to the Committee in October of their findings.

Scheme member and data projects.

3.10 Complete the Guaranteed Minimum Pension Rectification

3.10.1 Activity: To complete the rectification stage for scheme members, making adjustments to pensions in payment where necessary.

3.10.2 Key milestones:

Key Milestones	Dates	On target for completion?
Manual rectification of outstanding records.	April 2023 to March 2024.	On target.

3.10.3 Update: Following the completion of the annual pensions increase exercise, the rectification has recommenced, and the project is on track to complete by 31 March 2024.

3.11 Application of the McCloud age discrimination remedy.

3.11.1 Activity: The pension records of scheme members within scope of the McCloud ruling will be rectified following the implementation of the age discrimination remedy, expected via amendment to legislation on 1st October 2023.

3.11.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Respond to DLUHC consultation on draft regulations (delayed from 2022 and still pending release).	TBC.	
Devise communication plan for members and scheme employers.	May 2023.	Awaiting DLUHC consultation.
Undertake scheme member record preparations to identify members in scope of remedy in readiness for the application of the underpin.	April 2023 – September 2023.	On target.
Application of the revised underpin following release of amended LGPS Regulations.	October 2023 onwards.	On target.

3.11.3 Update: DLUHC is expected to launch a further consultation in spring with the regulations finalised after considering the responses. The communication plan cannot be developed until this time. General articles on McCloud will be included in newsletters for employers, deferred members, and active members around May/June 2023.

3.12 Prepare for the implementation of Pension Dashboards.

3.12.1 Activity: In the 2016 Budget, the Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together.

The activity will be updated following the DWP announcement to reset the Pension Dashboard Programme and the delay to connection deadlines.

3.12.2 Key milestones:

Key Milestones	Dates	On target for completion?
Continue to work with the pensions administration software supplier to connect to a Pensions Dashboard by the deadline of 30 September 2024.	April 2023 – September 2024.	TBC.
Undertake project plan activities to enable connection to the Dashboard including data cleansing activities.	April 2023 – September 2024.	On target.
Connect to the Dashboard.	TBC.	
Pension Dashboard Go Live.	TBC.	

3.12.3 Update: In early March the government announced its intention to legislate to amend the staging timescales (connection deadlines) to allow more time for technological system work enabling dashboards to be delivered. This project reset will affect all scheme deadlines and further clarification of the revised deadlines is being awaited along with guidance on how the Fund should continue to prepare.

3.13 Processing of undecided leaver records.

3.13.1 Activity: To reduce the backlog by 2,500 cases per year for the next 3 years from a baseline of approximately 8,500 at March 2023.

3.13.2 Key milestones:

Key Milestones	Dates	On target for completion?
Reduce aged cases by 2,500.	April 2023 – March 2024.	On target – pending timely release of new GAD factors (see below).
Reduce aged cases by 2,500.	April 2024 – March 2025.	
Reduce aged cases to BAU baseline (<2,000).	April 2025 – September 2025.	

3.13.3 Update: Progress on achieving the number of aged cases has been significantly slowed down as a result of the Government Actuary's Department (GAD) issuing an instruction not to process entitlement for those members who are entitled to a refund or a cash transfer value until they have recalculated the factors used in cash transfer value calculations. The new factors are expected by the end of May 2023 and it is expected that a large number of cases (approx. 1,000) will be bulk processed over the following six months.

Investment related activities.

3.14 Continue development of the ACCESS asset pool.

3.14.1 Activity: The ACCESS asset pool Authorised Contractual Scheme (ACS) sub-fund structure is now at a mature stage with ongoing developments prioritising completing the sub-fund pipeline and putting in place supplementary sub-funds as and when required.

Other developments within the ACCESS pool include the non-listed work programme, Operator re-procurement, and the Phase II ESG/RI procurement.

3.14.2 Key milestones:

Key Milestones	Dates	On target for completion?
Development of ACS sub-fund pipeline.	April 2023 – October 2024.	On target.
Non-listed (property, infrastructure, private equity, private debt) programme development.	April 2023 – December 2024.	Not on target.
ESG/RI Phase II procurement and reporting developments.	April 2023 – March 2024.	On target.
Operator re-procurement.	April 2023 – March 2025.	On target.

3.14.3 Update: Currently awaiting a report from the Access Support unit on how the recent takeover of MJ Hudson by Apex will affect this timeline. The latest would suggest this will be pushed back to 2025 for completion.

3.15 Continue activities within the Fund's Climate Action Plan.

3.15.1 Activity: During 2023-24 the Fund will continue to focus on the milestone dates within the plan which are key to ensure the Fund is on the correct path to achieve “net-zero” carbon emissions by 2050 at the latest.

3.15.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
To complete the activities against the Climate Action Plan.	April 2023 to March 2024.	On target.

3.15.3 Update: Implementation of the agreed changes to the passive index is underway and will be completed in three tranches planned by the end of June.

3.16 Implement the revised Investment Strategy.

3.16.1 Activity: A review of the investment strategy/strategic asset allocation (SAA) was undertaken in March 2023. This included consideration changes to the allocations of property, private equity and actively managed equity assets, taking account of current market conditions and expected future environment, and the ongoing commitments to asset pooling and Climate Action Plan.

3.16.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Expiry of Equity Protection.	May 2023.	On target.
Sales of listed equity and increase in Multi-Asset Credit.	May 2023.	On target.
Consideration of preferred characteristics of new commitments for Infrastructure investments.	May 2023.	On target.

Key Milestones.	Dates.	On target for completion?
Switch of Gilts from segregated accounts to the UBS pooled fund.	June 2023.	On target.
Purchase of M&G MAC.	June 2023.	On target.
Consider manager(s) for new allocation(s) in long lease property.	Q2 2023.	On target.
Revised draft Investment Strategy to be presented to Pensions Committee.	September 2023.	On target.
Selection of manager(s) for the new allocation(s) in long lease property.	Q3 2023.	On target.
Investment into BlueBay ESG MAC once launched within ACCESS.	Q3 2023.	On target.
Conducting wider reviews of infrastructure options if required.	Q4 2023.	On target.

3.16.3 Update: In March 2023, the Pension Committee has approved changes to the Strategic Asset Allocation with proposed milestones set out in the table above. The work is currently being undertaken by officers to increase asset allocation to Index-Linked Gilts at UBS by 5%, through sales of Global Equity held in Longview and Dodge & Cox. In May 2023, the Investment Sub Committee was provided with an overview of the options available to the Fund for future investment within the infrastructure portfolio. In June 2023, further sales of Global Equity will be used to fund a 3% increase in allocation to Multi-Asset Credit, +1.5% with M&G MAC by June 2023 and +1.5% with BlueBay MAC once the ESG MAC is launched within ACCESS.

Communications.

3.17 Implement recommendations from the review of the website and digital communications.

3.17.1 Activity: A review of the Fund's websites was carried out in 2022/23, the review assessed whether the website was still fit for purpose in meeting the needs of stakeholders and explored alternative options including moving the hosting of the member related information pages away from our software supplier Heywood and hosting both member and employer pages internally on a single website. Approval from the Pension Committee was granted to implement the recommendation from the review.

3.17.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Funding for the website development approved.	March 2023.	Completed.
Resources in place eg recruitment	May 2023.	Completed.
High fidelity designs created.	August 2023.	On target.
New website built.	March 2024.	On target.

3.17.3 Update: Funding for the website development was approved at the March meeting of the Committee. Subsequently, recruitment has been undertaken by the WNC Digital team who are overseeing the project. An appointment has been made and the person will be in post shortly.

4. Relevant Fund objectives.

4.1 To continually monitor and measure clearly articulated objectives through business planning.

5. Risk Management.

5.1 The Pension Fund Committee approves the Annual Business Plan and Medium-Term Strategy every March for the upcoming year. The plan highlights the key activities of the Fund, and the progress of these activities are reported through the Business Plan Update reports provided to the Pension Fund Committee and Pension Fund Board at every meeting.

5.2 The risks associated with failing to monitor progress against the Business Plan have been captured in the Fund's risk register as detailed below:

Risk.	Residual risk rating.
Those charged with the governance are unable to fulfil their responsibilities effectively.	Green.
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green.
Pension Fund objectives not defined and agreed.	Green.

5.3 Please see the [Cambridgeshire Pension Fund Risk Register Executive Summary](#)

6. Communication Implications.

The Business Plan Update will be presented to the Pension Fund Committee and Pension Fund Board at each meeting.

7. Finance & Resources Implications.

7.1 Any updated financial implications are set out in the relevant activities.

- 8. Legal Implications.
 - 8.1 Not applicable.
- 9. Consultation with Key Advisers.
 - 9.1 Consultation with the Fund's advisers was not required for this report.
- 10. Alternative Options Considered.
 - 10.1 Not applicable.
- 11. Background Papers.
 - 11.1 [Council and committee meetings - Cambridgeshire County Council > Meetings \(cmis.uk.com\)](https://cmis.uk.com/Council-and-committee-meetings-Cambridgeshire-County-Council-Meetings)
- 12. Appendices.
 - 12.1 Appendix A – Variances against the forecast of investments and administration expenses based on original setting of assumptions.
 - 12.2 Appendix B - Cyber activity action plan.

Checklist of Key Approvals.

Has this report been cleared by Section 151 Officer? Sarah Heywood – 26/5/2023

Has this report been cleared by Head of Pensions? Mark Whitby – 10/5/2023

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 26/5/2023

Has this report been cleared by Legal Services? Emma Duncan – 11/5/2023

Appendix A – Variances against the forecast of investments and administration expenses based on original setting of assumptions.

Fund Account.	2023/24 Budget.	2023/24 Forecast.	Variance	Comments.
	£000	£000	£000	
Contributions.	148,000	148,000	-	
Transfers in from other pension funds.	11,000	11,000	-	
Total income.	159,000	159,000	-	
Benefits payable.	(137,000)	(137,000)	-	
Payments to and on account of leavers.	(9,000)	(9,000)	-	
Total Payments.	(146,000)	(146,000)	-	
Net additions/(withdrawals) from dealings with members.	13,000	13,000	-	
Management Expenses (Invoiced).	(4,947)	(4,947)	-	
Management Expenses (Non-invoiced).	(22,900)	(22,900)	-	
Total Management Expenses	(27,847)	(27,847)	-	
Total income less expenditure.	(14,847)	(14,847)	-	
Investment income.	34,000	34,000	-	
Taxes on income.	-	-	-	
profit and (losses) on disposal of investments and changes in the market value of investments	204,000	204,000	-	
Net return on investments.	238,000	238,000	-	
Net increase/(decrease) in the net assets available for benefits during the year.	223,153	223,153	-	

Management Expenses.	2023-24 Budget	2023-24 Forecast	Variance	Comments.
	£000	£000	£000	
Total Administration Expenses.	(3,221)	(3,221)	-	
Total Governance Expenses.	(881)	(881)	-	
Total Investment Invoiced Expenses.	(845)	(845)	-	
Total Management Expenses.	(4,947)	(4,947)	-	

Administration Expenses Analysis.	2023-24 Budget	2023-24 Forecast	Variance	Comments.
	£000	£000	£000	
Staff Related.	(2,080)	(2,080)	-	
Altair administration and payroll system.	(485)	(485)	-	
Data assurance.	(25)	(25)	-	
Communications.	(51)	(51)	-	
Other Non-Pay and Income.	(27)	(27)	-	
Council Overhead Recovery.	(553)	(553)	-	
Total Administration Expenses.	(3,221)	(3,221)	-	

Cambridgeshire Pension Fund

Pension Fund Committee

8 June 2023

Report by: Head of Pensions

Subject: Governance and Compliance Report

Purpose of the Report To provide the Pension Fund Committee with information on:

1. Pensions Dashboards
2. The McCloud Remedy
3. Scheme Advisory Board
4. Annual revaluation date change
5. Cambridgeshire Pension Fund Policy/Strategy updates
6. Skills and knowledge opportunities

Recommendations The Pension Fund Committee is asked to:

1. Note the Governance and Compliance Report.
2. Note the immaterial amendments to be applied to the policies in section 3.5.2.

Enquiries to: Michelle Oakensen
Governance and Regulations Manager
michelle.oakensen@westnorthants.gov.uk

1. Background.

- 1.1 This is a standing report that identifies issues concerning the governance of the Local Government Pension Scheme (LGPS) and potential, new, amending and overriding legislation that will have an impact on how the Scheme is managed and on members' benefits.

2. Executive Summary.

- 2.1 This report provides the Pension Fund Committee with information on the following significant current issues which have an impact on the governance, management and administration of the Cambridgeshire Pension Fund.

- Pensions Dashboards
- The McCloud Remedy
- Scheme Advisory Board
- Annual revaluation date change
- Skills and knowledge opportunities

2.2 The report also provides details of any proposed immaterial amendments to be made to policies or strategies as a result of Officer reviews.

3.1 Pensions Dashboards.

3.1.1 Pension Dashboard Programme (PDP).

3.1.1.1 The Department for Work and Pensions (DWP) issued a written ministerial statement in early March providing an update on the timeline for connecting to pensions dashboards. The statement explains that the PDP will be unable to meet the connection deadlines set out in legislation, and the timeline will need to be revised. PDP is working with DWP to establish a new and achievable plan for delivery.

3.1.1.2 The framework for dashboards will remain unchanged, but DWP will legislate to provide new connection deadlines. Further information on the revised timeline will be made available following agreement on PDP's delivery plan.

3.1.1.3 Chris Curry, PDP's Principal confirmed that "Delivering the central digital architecture for pensions dashboards is a complex undertaking. DWP and the Money and Pensions Service remain committed to dashboards. Significant progress has already been made. However, we need to do more work to ensure the connection journey is stable and secure for industry, and that it's achievable ahead of mandatory connection. Industry has played a significant role in getting us to this point, whether as early participants, inputting on standards or continually feeding back on getting dashboards right. We will continue to work closely with industry to deliver dashboards that will transform retirement planning and create new opportunities for engagement with savers."

3.1.1.4 The full ministerial statement can be found [here](#).

3.1.1.5 Frequently asked questions on connection deadline can be found [here](#).

3.1.2 The Pension Regulator's (TPR) update on dashboards.

3.1.2.1 TPR has confirmed that schemes affected by the announcement will receive a written communication to confirm the new deadlines when set. A sample communication can be found [here](#).

3.1.2.2 Updated guidance and a checklist has been published to help schemes focus on what should be done now to prepare for dashboard duties. The Cambridgeshire Pension Fund progress against these requirements can be found in appendix 1.

3.1.2.3 A content toolkit will be developed with key messaging for administering authorities to use, as appropriate, in communications.

3.1.3 Pensions Administration Standards Association (PASA) dashboards guidance

3.1.3.1 On 29 March 2023, PASA released two new pieces of dashboards guidance to support the industry in preparing to deliver pensions dashboards: the first covering communications for savers and the second looks at matching without a national insurance number and possible match responses.

The what to say to savers guidance can be found [here](#) and the data matching guidance can be found [here](#).

3.2 McCloud Remedy.

3.2.1 McCloud data issues guidance.

3.2.1.1 The Scheme Advisory Board (SAB) published guidance in March to assist administering authorities with McCloud data issues.

3.2.1.2 The guidance sets out what options administering authorities may consider if they are unable to collect data needed to implement the McCloud remedy. It covers both missing data and data the authority is not confident is accurate. The guidance should be read in conjunction with the legal advice provided by Eversheds on McCloud data issues – this is referenced within the guidance document

3.2.1.3 The full guidance can be found [here](#)

3.2.2 Governments response to McCloud consultation.

3.2.2.1 On 6 April 2023, the Department for Levelling Up, Communities and Housing (DLUHC) published their response to the consultation on amendments to the underpin.

3.2.2.2 The consultation proposed changes to the underpin to address the discrimination found in the McCloud judgment and to ensure that it works effectively and consistently for all qualifying members. The consultation ended on 8 October 2020. Alongside the response, in collaboration with the Scheme Advisory Board, DLUHC published a factsheet summarising the remedy for members.

3.2.2.3 DLUHC expects to launch a further consultation this spring. The consultation will seek views on:

- issues that, because of the consultation responses, they have not yet made a final decision on (such as aggregation and flexible retirement),
- issues not included in the original consultation (such as compensation, interest and excess teacher service), and
- updated draft regulations.

3.2.2.4 DLUHC will finalise the regulations after considering the responses to the further consultation. These will come into force on 1 October 2023, with backdated effect to 1 April 2014.

3.2.2.5 The factsheet can be found [here](#) and the consultation documents can be found [here](#) (16 July 2020 amendments to statutory underpin).

3.3 Scheme Advisory Board.

3.3.1 Statement on Freedom of Information Act requests on climate advice and data.

3.3.1.1 On 30 March 2023, the Board published a statement on Freedom of Information

(FOI) requests on climate advice and data.

- 3.3.1.2 The Board is aware of the increasing prevalence of information requests about responsible investment policies. These may come from interested scheme members or activist groups and can be “round robin” requests that are made to all administering authorities with a view to collating information across the scheme and making comparisons between authorities’ responses.
- 3.3.1.3 As public authorities, there are duties on all administering authorities to be open and transparent about their policies and actions. However, the resources available to deal with requests are not unlimited and there will be occasions where cost, commercial sensitivity or other considerations will outweigh the public interest in releasing information.
- 3.3.1.4 Further guidance on this is available from the Information Commissioner’s Office and can be found [here](#).
- 3.3.1.5 Support in how to respond to these requests, especially if they become onerous or vexatious, should be sought from the authority’s legal and FOI advisers.
- 3.3.1.6 If the new climate reporting duties had been brought in by the Government, as consulted on last year, from 1st April 2023 then that may have helped authorities currently considering the request from Carbon Tracker by putting, or at least having a plan to put, a large amount of information into the public domain which may have helped address some of the requests for information that are being received. Despite the delays in DLUHC concluding that consultation, the Board would recommend that all funds consider having a proactive publication scheme in place for climate data, and their stewardship activities, to minimise the volume of ad hoc requests that they have to field.

3.3.2 Gender pensions gap report.

- 3.3.2.1 The Gender Pay Gap Information Regulations 2017 put a requirement on employers with more than 250 employees to publish differences in pay between men and women.
- 3.3.2.2 On 29 March 2023, the Board published a report on the gender pensions gap in the LGPS from the Government Actuary’s department.
- 3.3.2.3 Research into the extent of the gender pensions gap was undertaken by the Government Actuary’s Department at the Board’s request using data from the 2020 scheme valuation and the report provides an initial overview of the gender pensions gap in the LGPS.
- 3.3.2.4 This has shown that the difference between men and women as to their accrued benefits in the Local Government Pension Scheme is 34.7% for benefits in the reformed CARE scheme and 46.4% for benefits in the legacy final salary scheme (in favour of men). The data also showed that the average pension in payment for a woman was £4,285 while for a man it was £8,466.
- 3.3.2.5 These initial findings do need to be interpreted with some caution, The LGA pay gap analysis excludes all schools staff (and any other staff not directly employed by a Local Authority), while the gender pensions gap analysis includes data held on non-teaching staff working in schools, academies, further education colleges, some higher education institutions and many other non-Local Authority employers who can be employed under different terms and conditions.

3.3.2.6 The Board will do further work to understand the data and investigate causes, as well as considering possible next steps.

3.4 Annual revaluation date change.

3.4.1 In March 2023, the Department for Levelling Up, Housing and Communities' (DLUHC) published its response to the consultation on changing the annual revaluation date. On the same day, they laid the LGPS (Amendment) Regulations 2023, effective on 31 March 2023.

3.4.2 Subsequently, details of the changes were circulated by the Local Government Association (LGA) which also included examples. The documents can be found [here](#) and the timeline regulations will be updated in due course.

3.5 Cambridgeshire Pension Fund Policy/Strategy updates.

3.5.1 In March 2023 the Pension Fund Committee agreed for all policies and strategies to be reviewed by the Committee on a three year cycle (unless stated otherwise) with Officer reviews to be conducted on an annual basis or as deemed necessary.

3.5.2 Since the approval the following non material amendments are due to be applied:

Policy/Strategy	Review reason	Amendments made
Administering Authority Discretions.	Officer review due.	1) Clarification applied to the wording of 'Whether to pay the whole or part of a child's pension to another person for the benefit of the child'. 2) Reference to 'a child' amended to 'an eligible child'. 3) Clarification applied to delegated authority on Voluntary Scheme Pays. 4) Consistency applied when referring to Cambridgeshire County Council (removal of 'the Council and 'County Council'). 5) Employer Services Manager updated to Employer Services and Communications Manager.
Anti-Fraud and Corruption Policy.	Cambridgeshire County Council Internal Audit request to include Money Laundering.	1) The 'Responsible Officers' section has been updated to include the Money Laundering Reporting Officer (MLRO) and deputising arrangements. 2) Reference to the Cambridgeshire County Council Money Laundering Policy.

3.5.3 The updated policies/strategies will be published on the Pension Service website following the noting of these changes.

3.5.4 The Policy/Strategy review cycle following the approval of the new three-year Committee approval approach is in appendix 2.

3.6 Skills and knowledge opportunities.

- 3.6.1 The Public Services Pensions Act 2013 and the Pensions Regulator's Code of Practice (Governance and administration of public service pension schemes) require all members of the Pension Fund Committee to maintain the necessary skills and knowledge to undertake their role effectively.
- 3.6.2 In addition, in order to facilitate the acquisition of skills and knowledge for members of the Pension Fund Committee, appendix 3 lists the main events that are deemed useful and appropriate.
- 3.6.3 If members of the Pension Fund Committee would like to attend any of the events listed in appendix 3, please contact a member of the Fund's governance team who will make the necessary arrangements if an invitation has not already been sent.
- 3.6.4 In addition, individual login details have been issued to access the new LGPS Online Learning Academy platform. Members are encouraged to ensure they are able to sign in and navigate the platform. In July, members will be asked to approve timescales and requirements as part of the Training Strategy.

4. Relevant Pension Fund Objectives.

Has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. *Objective 1.*

Manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2.*

Ensures the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. *Objective 3.*

To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5.*

5. Risk Management.

- 5.1 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk.	Residual risk rating.
Those charged with governance are unable to fulfil their responsibilities effectively.	Green.
Failure to administer the scheme in line with regulations and guidance.	Green.
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making.	Green.

5.2 The Fund's risk register can be found on the Pensions website: [Cambridgeshire Pension Fund Risk Register](#).

6. Communication Implications.

6.1 Training - All staff involved in the administration of the LGPS are aware of how any new developments impact on the calculation and payment of benefits from the scheme.

6.2 Employers - All relevant items are communicated to scheme employers via website updates.

7. Finance & Resources Implications.

7.1 There are no financial and resource implications associated with this report.

8. Legal Implications.

8.1 Not applicable.

9. Consultation with Key Advisers.

9.1 The LGPS Online Learning Training is a Hymans product.

10. Alternative Options Considered.

10.1 Not applicable.

11. Background Papers.

11.1 None.

12. Appendices.

12.1 Appendix 1 The Pensions Regulator dashboards checklist.

Appendix 2 The Cambridgeshire Pension Fund Policy/Strategy review cycle.

Appendix 3 Skills and Knowledge training schedule.

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 26/5/2023

Has this report been cleared by Head of Pensions? Mark Whitby – 10/5/2023

Has the Chair of the Pension Fund Committee been consulted? Councillor Whelan – 26/5/2023

Has this report been cleared by Legal Services? Emma Duncan – 11/5/2023

Appendix 1 – The Pension Regulator’s preparing to connect checklist: Progress of the Cambridgeshire Pension Fund

Preparation checklist	Relevant guidance	Your status comments
Start now: general tasks		
Establish pensions dashboards as a regular agenda item at board meetings.	Overview – your role and legal duties. #	Completed – Delivered as part of the Governance and Compliance Report at each meeting of the Committee and Board.
Discuss pensions dashboards with your administrator and other relevant parties (such as software provider, actuary, legal adviser, employer, additional voluntary contribution provider).	Overview – working with advisers and providers.	Underway – software provider – a dashboard readiness report has been received providing detail on the accuracy of the “find” and “value” data. Further discussions to be had on how data quality can be improved in these areas. AVC Providers – Exploring whether the AVC providers will display this information separately.
Explore your route to connection – either building own interface or using a (new or existing) third-party solution.	Connecting to pensions dashboards – choosing a digital interface.	Pensions software tender is requiring supplier to perform ISP services for connection to the Dashboard ecosystem.
If required, appoint new suppliers or revise contracts for existing suppliers.	Connecting to pensions dashboards – choosing a digital interface.	Pensions software tender is incorporating Pension Dashboard requirements in compulsory elements of specification.
Start now: data tasks		
Understand what personal data you will receive from the digital architecture to help you match members to their pensions.	Matching people with their pensions.	A dashboard readiness report has been received providing detail on the accuracy of the “find” and “value” data. Further discussions to be had on how data quality can be improved in these areas.
Assess the quality and digital accessibility of personal data in your records.	Matching people with their pensions.	
Consider which data items you will use to confirm matches are made or that there are possible matches.	Matching people with their pensions.	

Appendix 1 – The Pension Regulator’s preparing to connect checklist: Progress of the Cambridgeshire Pension Fund

Where your member personal data needs improving, put plans in place to deliver the improvements.	Matching people with their pensions.	A dashboard readiness report has been received providing detail on the accuracy of the “find” and “value” data. Further discussions to be had on how data quality can be improved in these areas.
Understand what data you will need to return to members and by when.	Information to provide to members.	
Assess the quality and digital accessibility of the data that will be provided to your members.	Information to provide to members.	
Preparation checklist	Relevant guidance	Your status comments
Consider how you will calculate the value data so that it is provided in line with dashboard requirements – calculated in line with ASTM1 or scheme rules, and sufficiently recent.	Information to provide to members.	
Where value data is not in line with dashboard requirements, put plans in place to ensure you can meet your dashboard duties.	Information to provide to members.	
Ongoing actions		
Stay up to date with developments to the regulations, Money and Pensions Service standards and our guidance.	Stay in touch with developments.	
Check that your team and suppliers are on track to deliver.	Overview – working with advisers and providers.	
Record key decisions and progress as per your existing governance processes.	Ongoing connection and record-keeping requirements.	
Review and update your Data Protection Impact Assessment (DPIA) in line with your data improvement plan.	Matching people with their pensions – preparing your data for matching.	

Committee/Officer reviews due 2023/2024

Policy/Strategy	Latest Committee review undertaken	Next Committee review due	Next Officer review due	Comments
Administering Authority Discretions.	June 2022.	June 2025.	June 2023.	Annual Officer review – included in the Governance and Compliance Report at this meeting.
Cash Management Strategy.	March 2019.	June 2023.	June 2024.	Committee approval required at this meeting.
Anti-Fraud and Corruption Policy.	March 2022.	March 2025.	June 2023.	Officer review required due to changes – included in the Governance and Compliance Report at this meeting.
Training Strategy.	December 2021.	July 2023	July 2024.	Committee approval required at the July 2023 meeting to agree the requirements/expectations of the strategy.
Admission Bodies, Scheme Employers and Bulk Transfer Policy.	September 2021.	September 2024.	September 2023.	Officer review will be undertaken and reported via the Governance and Compliance Report in October 2023.
Cyber Strategy – not published.	September 2021.	September 2024.	September 2023.	Officer review will be undertaken and reported via the Governance and Compliance Report in October 2023.
Investment Strategy Statement.	March 2023.	October 2023.	October 2024.	Committee approval required at the October 2023 meeting due to the partial implementation of the strategic asset allocation.
Governance Policy and Compliance Statement.	October 2017.	October 2023.	October 2024.	Committee approval required at the October 2023 meeting.
Reporting Breaches of the Law to the Pensions Regulator.	October 2022.	October 2025.	October 2023.	Officer review will be undertaken and reported via the Governance and Compliance Report in December 2023.
Administration Strategy.	December 2020.	December 2023.	December 2024.	Committee approval required at the December 2023 meeting.
Data Improvement Policy.	December 2020.	December 2023.	December 2024.	Committee approval required at the December 2023 meeting.
Cessations Policy.	December 2022.	December 2025.	December 2023.	Officer review will be undertaken and reported via the Governance and Compliance Report in March 2024.

Appendix 2 - The Cambridgeshire Pension Fund Policy/Strategy review cycle

Policy/Strategy	Latest Committee review undertaken	Next Committee review due	Next Officer review due	Comments
Conflicts of Interest Policy.	December 2022.	December 2025.	December 2023.	Officer review will be undertaken and reported via the Governance and Compliance Report in March 2024.
Risk Strategy.	December 2022.	December 2025.	December 2023.	Officer review will be undertaken and reported via the Governance and Compliance Report in March 2024.
Communications Strategy.	April 2021.	April 2024.	April 2025.	Committee approval required at the June 2024 meeting.
Funding Strategy Statement.	March 2023.	March 2026.	March 2024.	Officer review will be undertaken and reported via the Governance and Compliance Report in June 2024.
Overpayment of Pension Policy.	March 2023.	March 2026.	March 2024.	Officer review will be undertaken and reported via the Governance and Compliance Report in June 2024.
Payment of Employee and Employer Pension Contributions Policy.	March 2022.	March 2025.	March 2024.	Officer review will be undertaken and reported via the Governance and Compliance Report in June 2024.

Training plan 2023/24

Date	Training	Method of delivery	Delivered by	Target audience	Additional Information
APR					
MAY					
JUN	Local Authority Conference 2023	Conference – face to face	Pension and Lifetime Savings Association (PLSA)	Committee, Board & Officer	26-28 Local Authority Conference PLSA (Cotswolds)
JULY	Heywood Officer Conference	Conference – face to face	Heywood	Officer	12-13 July in Manchester
AUGUST					
SEPTEMBER	Investment and Pensions Summit	Conference – face to face	Local Government Chronicle (LGC)	Committee, Board & Officer	7-8 September in Leeds. LGC Investment & Pensions Summit 2023 - Home Page (lgcplus.com)
OCTOBER	Property asset class training	TBC	Mercer	Investment Sub Committee	Date TBC
NOVEMBER					
DECEMBER	Annual Conference 2022	Conference – face to face	Local Authority Pension Fund Forum (LAPFF)	Committee, Board & Officer	6-8 December 2023 Bournemouth.
JANUARY	Governance Conference	Conference – hybrid	Local Government Association (LGA)	Committee, Board & Officer	18-19 January 2024 (online/York)

Cambridgeshire Pension Fund

Appendix 3

Date	Training	Method of delivery	Delivered by	Target audience	Additional Information
FEBRUARY					
MARCH					



Administered in partnership

Cambridgeshire
Pension Fund

Pension Fund Committee

8 June 2023

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of three admitted bodies to the Cambridgeshire Pension Fund across five admission agreements.

2. To notify the Committee of eleven bodies across thirteen admissions ceasing participation in the Cambridgeshire Pension Fund.

Recommendations: That the Pension Fund Committee

1. Notes 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. Notes 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. Notes the update on the collection of exit payments and assessment of exit credits for previously reported cessations.

Enquiries to: Name – Cory Blose, Employer services manager
Tel – 07990 560829
E-mail – cory.blose@westnorthants.gov.uk

1. Executive Summary

- 1.1 The Pension Fund Committee is asked to approve the entry, to the Fund, of three transferee admitted bodies across five admission agreements and to approve the sealing of the admission agreements.
- 1.2 Two of the admissions are “pass through” admissions, meaning the assets and liabilities are retained by the awarding authority, so there is no additional risk to the Fund from these admissions.
- 1.3 The Committee is also asked to note the exit of thirteen employers from the Fund.
- 1.4 The Committee is also asked to note the update on the collection of exit payments and assessment of exit credits for previously reported cessations.

2. Background

- 2.1 The Local Government Pension Scheme Regulations 2013 (as amended) (the Regulations) provide for the participation of a number of different types of body in the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.
- 2.2 When an employer ceases participation in the Fund, the administering authority is required, under regulation 64 of the Local Government Pension Scheme Regulations 2013 (the Regulations), to obtain an actuarial valuation, as at the exit date, of the liabilities and to obtain a revised rates and adjustments certificate showing the exit payment due from the exiting employer or the excess of assets in the Fund relating to that employer.
- 2.3 This report provides an update on admissions to and cessations from the Cambridgeshire Pension Fund since the last meeting of the Pension Fund Committee and also provides an update on the collection of exit payments and determination of exit credits for previously reported cessations.

3. New Admission Bodies

- 3.1 Paragraph 1 of Part 3 of Schedule 2 to the Regulations provides for an administering authority making an admission agreement with an admission body, enabling employees of the admission body to be active members of the Local Government Pension Scheme.
- 3.2 A body which falls under paragraph 1(d)(i) of Part 3 of Schedule 2 (known as transferee admission bodies) is an admission body that is providing a service, in connection with the function of a scheme employer, as the result of a transfer of service or assets by means of a contract or other arrangement.
- 3.3 The Pension Fund Committee is asked to note the admission of the following bodies into the Cambridgeshire Pension Fund under paragraph 1(d)(i) and to approve the sealing of the admission agreements:

- Aspens Services Limited 3x admission agreements
- Rapid Commercial Cleaning Services Limited
- Dolce Limited

3.4 Full details of each admission are included in Appendix A.

4 Cessations

4.1 The following admitted bodies have exited the Fund:

- Churchill Contractors Limited (Cambridge City Council)
- Taylor Shaw Limited (Elliot Foundation Trust)
- NPS Peterborough Limited
- Multi-Active Holiday Courses Limited
- Caterlink UK Limited (The Vine Inter-Church School)
- Caterlink UK Limited (The Diamond Learning Partnership)
- ABM Caterlink Limited (Holywell CE Primary School)
- ABM Catering Limited (Eynesbury Primary School)
- Malco Services Limited (Newton Comm Primary & Homerton Early Years Centre)
- Chorus Homes Group Limited
- Friends Therapeutic Community
- Hertfordshire Catering Service (Thongsley Fields Primary)
- Aspens Services Limited (St Philips CE Primary)

4.2 Full details of each cessation are included in Appendix B.

5 Update on previously reported cessations

5.1 When an employer ceases to participate in the Fund, the Regulations require the administering authority to obtain a valuation of the assets and liabilities attributed to that employer to determine if there is a funding surplus or deficit. If a deficit exists the employer must pay an exit payment to the Fund equal to the value of the deficit. If a surplus exists, the administering authority must make a determination of the amount of exit credit (which could be zero) should be paid to the exiting employer.

5.2 The Pension Fund Committee is asked to note the update on the following previously reported cessations.

- Cambridge Community Service NHS Trust
- Serco (PCC IT)
- Elior UK Limited (Cambridge City Council)

5.3 Full details of each update are included in Appendix C.

6. Relevant Pension Fund Objectives

Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.

Objective 2

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

Ensure appropriate exit strategies are put in place in both the lead up to and termination of a scheme employer. *Objective 7*

7. Risk Management

7.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.

7.2 The risks associated with failing to monitor admissions and cessations have been captured in the Fund's risk register as detailed below.

Risk	Residual risk rating
Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed.	Green
Failure to administer the scheme in line with the regulations.	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making.	Green
Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met in conjunction with the Fund Actuary/specialist advisors.	Green

7.3 The Fund's full risk register can be found on the Fund's website:

[Pension Fund Risk Register hyperlink](#)

8. Finance & Resources Implications

8.1 Actuarial costs incurred by obtaining a calculation of the employer's contribution rate and opening funding position at commencement are recharged directly to the employer.

8.2 The employer contribution rate contains an allowance for administration charges, and the employer is charged a fee to recover the Funds administration costs of on boarding new employers and terminating ceased employers. This means that admissions and cessations should be cost neutral.

8.3 Employers who are unable to pay monies due during active membership may result in unpaid liabilities being borne by other employers in the Fund.

9. Communication Implications

Direct Communications – Direct communications will be required to facilitate employer start up in the LGPS.

Training – Training will need to be provided to new employers on a number of LGPS issues.

Website – New employers are given access to the employer's guidance available on the pension's website.

10. Legal Implications

- 10.1 Admitted bodies enter into an admission agreement with the administering authority in order to become an employer within the Cambridgeshire Pension Fund. This agreement sets out the statutory responsibilities of an employer, as provided for under the Regulations governing the LGPS.

11. Consultation with Key Advisers

- 11.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.
- 11.2 A precedent admission agreement has been drafted by Squire Patton Boggs, specialist pension legal advisers.
- 11.3 Advice was received from the Fund's legal advisers, Squire Patton Boggs, on individual admission and cessation cases, where required.

12. Alternative Options Considered

- 12.1 None available.

13. Appendices

- 13.1 Appendix A: New admissions
- 13.2 Appendix B: New cessations
- 13.3 Appendix C: Update on previously reported cessations

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? 26/5/2023

Has this report been cleared by Head of Pensions? 10/5/2023

Has the Chair of the Pension Fund Committee been consulted? 26/5/2023

Has this report been cleared by Legal Services? 11/5/2023

Appendix A: Admitted Bodies

To be noted:

- **Aspens Services Limited (All Saints Inter-Church Academy)**

Aspens Services Limited have entered into a contract with All Saints Inter-Church Academy (single academy trust) to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated standard admission agreement has been put in place effective 1 April 2021. The Trust will guarantee the pension liabilities.

- **Aspens Services Limited (Diamond Learning Trust)**

Aspens Services Limited have entered into a contract with Diamond Learning Trust to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated standard admission agreement has been put in place effective 1 September 2022. The Trust will guarantee the pension liabilities.

- **Aspens Services Limited (St Botolph's CE Primary School)**

Aspens Services Limited have entered into a contract with the Diocese of Ely Multi Academy Trust to provide catering services at St Botolph's CE Primary School. As a result, a group of employees were transferred to the admission body and a backdated pass through admission agreement has been put in place effective 1 September 2022. The assets and liabilities have been retained by the Diocese of Ely Multi Academy Trust.

- **Rapid Commercial Cleaning Services Limited (Granta School)**

Aspens Services Limited have entered into a contract with Granta School (a Cambridgeshire County Council local authority school) to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated pass through admission agreement has been put in place effective 1 September 2022. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Dolce Limited (Elliot Foundation Trust)**

Dolce Limited have entered into a contract with the Elliot Foundation Trust to provide catering services. As a result, a group of employees were transferred to the admission body and a backdated standard admission agreement has been put in place effective 24 October 2022. The Trust will guarantee the pension liabilities.

Appendix B: Exiting Scheme Employers

- Churchill Contract Services (Cambridge City Council)

Churchill Contract Services were admitted to the Fund under a standard agreement on 15 June 2015, after entering into a contract to provide cleaning services to Cambridge City Council.

On 31 March 2022, the contract ended. An actuarial assessment is being undertaken by the scheme actuary to confirm the closing liabilities of the exiting employer.

- Taylor Shaw Limited (Elliott Foundation Trust)

Taylor Shaw Limited were admitted to the Fund under a standard agreement on 22 October 2018, after entering a contract to provide catering services for the Elliot Foundation Trust.

On 23 October 2022, the contract ended. The cessation assessment identified a funding surplus of £161,000.00. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer.

- NPS Peterborough Limited

NPS Peterborough Limited were admitted to the Fund under a standard agreement on 1 July 2016 following a TUPE of five Peterborough City Council and Serco employees to NPS Peterborough Limited.

On 31 March 2023, the last active member left the scheme. The cessation assessment identified a funding surplus of £531,000.00. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer.

- Multi-Active Holiday Courses Limited (Houghton Primary School)

Multi Active Holiday Courses Limited were admitted to the Fund under a pass-through agreement on 12 April 2021, after entering a contract to provide wrap around care for Houghton Primary School.

On 6 February 2023, the organisation ceased trading. Although no exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council, officers are concerned that some of the membership data provided was incorrect and that insufficient contributions may have been received. Discussions are in progress with the liquidator to try and resolve this matter.

- Caterlink UK Limited (The Vine Inter-Church Primary School)

Caterlink UK Limited were admitted to the Fund under a pass-through agreement on 1 January 2018, after entering a contract to provide catering services to the Vine Inter-Church Primary School (a Cambridgeshire County Council local authority school).

On 31 December 2022, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **ABM Catering Limited (Holywell CE Primary School)**

ABM Catering Limited were admitted to the Fund under a pass-through agreement on 5 April 2020, after entering a contract to provide catering services to Holywell CE Primary School (a Cambridgeshire County Council local authority school).

On 25 November 2022, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Malco Services Limited (The Newton Community Primary School & Homerton Early Years Centre)**

Malco Services Limited were admitted to the Fund under a pass-through agreement on 1 September 2018, after entering a contract to provide catering services to the Newton Community Primary School & Homerton Early Years Centre (both Cambridgeshire County Council local authority schools).

On 31 December 2022, the last active member left employment. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Chorus Homes Limited**

Chorus Homes Limited were admitted to the Fund as a Community Admission Body on 9 January 2006, following a transfer of staff from Huntingdonshire Housing Partnership Limited.

On 28 February 2023, the organisation was closed as part of a rationalisation of the wider company group structure. The new entity closed the scheme to new accrual following a consultation with staff to harmonise terms and conditions in the new entity. An actuarial assessment is being produced by the scheme actuary to confirm the closing liabilities of the exiting employer.

- **Friends Therapeutic Community Trust**

Friends Therapeutic Community Trust were admitted to the Fund under as a Community Admission Body on 16 August 1968.

On 31 March 2023, the Trust closed the scheme to new accrual following a consultation with remaining members to offer an alternative pension scheme. An actuarial assessment is being undertaken by the scheme actuary to confirm the closing liabilities of the exiting employer.

- **ABM Catering Limited (Eynesbury Primary School)**

ABM Catering Limited were admitted to the Fund under a pass-through agreement on 13 August 2018, after entering a contract to provide catering services to Eynesbury Primary School (a Cambridgeshire County Council local authority school).

On 31 August 2022, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Caterlink UK Limited (The Diamond Learning Partnership Trust)**

Caterlink UK Limited were admitted to the Fund under a pass-through agreement on 1 June 2016, after entering a contract to provide catering services to The Diamond Learning Partnership.

On 31 August 2022, the last member left. No exit payment or credit is required as the pension liabilities were retained by The Diamond Learning Partnership Trust.

- Hertfordshire Catering Limited (Thongsley Fields Primary and Nursery School)

Hertfordshire Catering Limited were admitted to the Fund under a standard agreement on 27 October 2018, after entering a contract to provide catering services to Thongsley Fields Primary and Nursery School (The CAM Academy Trust).

On 31 August 2022, the contract ended. An actuarial cessation assessment is being undertaken by the scheme actuary to confirm the closing liabilities of the exiting employer.

- Aspens Services Limited (St Philips CE Primary)

Aspens Services Limited were admitted to the Fund under a pass-through agreement on 1 April 2021, after entering a contract to provide catering services to St Philips CE Primary (a Cambridgeshire County Council local authority school).

On 27 January 2023, the last active member left. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

Appendix C: Update on previously reported cessations

- **Cambridge Community Service NHS Trust**

The cessation of Cambridge Community Service NHS Trust was originally reported at the December 2022 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding deficit and required exit payment of £2,951,000.

On 28 March 2023, the exit payment was made in full.

- **Elior UK Limited (Cambridge City Council)**

The cessation of Elior UK Limited (Cambridge City Council) was originally reported at the March 2023 meeting of the Pension Fund Committee. The funding assessment at the date of exit identified a funding surplus of £57,000.

Following an exit credit determination, as required by and taking into account the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Elior UK Limited is nil. The exiting employer has been informed of the decision.

Cambridgeshire Pension Fund

Pension Fund Committee

8 June 2023

Report by: Head of Pensions

Subject: Cash Management Strategy

Purpose of the Report: To present the Cash Management Strategy to the Pension Fund Committee

Recommendations: The Pension Fund Committee are asked to approve the updates to the Cash Management Strategy

Enquiries to: Ben Barlow, Funding and Investments Manager.
Tel – 07831 123167
E-mail – Ben.Barlow@Westnorthants.gov.uk

1. Executive Summary

- 1.1. The purpose of the Cash Management Strategy is to manage Fund's cash efficiently, ensuring adequate cash is available in the Fund's accounts held at NatWest bank to meet the day to day cash requirements of the Fund, and to ensure timely payment of surplus cash to Northern Trust for investment in line with the Fund's Investment Strategy.
- 1.2. The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 ("the Regulations") came into force on 1 November 2016 and require the Fund to review its cash management strategy on a regular basis.
- 1.3. This key changes to the strategy since approval by Pension Fund Committee 28 March 2019 include removal of references to LGSS, change of the Fund's bank provider and formatting issues. There have been no changes to internal processes since the Strategy's approval.

2. Background

- 2.1. Under the Regulations, the Fund is required to have its own separate bank account, may only borrow by way of temporary loan or overdraft for the purpose of paying benefits due under the scheme or to meet investment commitments, and must invest, in accordance with its Investment Strategy, any fund money that is not needed immediately to make payments from the Fund.
- 2.2. To meet the requirements of the Regulations, the Fund has identified objectives and key principles to govern the Fund's approach to cash management, as can be seen in sections 3 and 4 of the Cash Management Strategy.
- 2.3. The processes set up in response to the strategy include, daily forecasting and monitoring from the finance team using Public Sector Live software; monthly forecasting and reporting to management; and periodically moving cash to and from NatWest and Northern Trust when there is a surplus or deficit.

2.4. The strategy allows officers the ability to react efficiently to the cash requirements of the Fund.

3. Proposed changes to the existing policy

3.1. As a result of the review, the following changes are being proposed:

Section	Proposed change
Throughout	- Change of bank from Barclays to NatWest
8 – Operational Issues	- Reference to LGSS
Flow Chart	- Change of bank from Barclays to NatWest - Moved from section 8 Operational Issues to Section 7 Key Cash Flow Movements/Timings - Includes refunds in cash flow out of NatWest
Throughout	- Formatting issues
7 – Key Cash Flow Movements/Timings	- Includes refunds in cash flow out of NatWest
New section 9	- Effective date and reviews of the policy
Glossary	- Moved from section 9 to 10

4. Relevant Pension Fund Objectives

- 4.1. To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies, and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- 4.2. To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- 4.3. To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- 4.4. To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- 4.5. To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- 4.6. To ensure cash flows in to and out of the Fund are timely and of the correct amount.
- 4.7. To ensure the long-term solvency of the Fund, taking a prudent long-term view, so that sufficient funds are available to meet all members'/dependants' benefits as they fall due for payment.
- 4.8. To ensure an appropriate cash management strategy is in place so that net cash outgoings can be met as and when required.

5. Finance & Resources Implications

- 5.1. There are no finance or resources implications arising from the proposals in this paper.

6. Risk Management

- 6.1. The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk mitigated	Residual risk
Contributions to the Fund are not received on the correct date and/or for the correct amount.	Amber
Fund assets are not sufficient to meet obligations and liabilities.	Amber
Risk of fraud and error.	Green
Custody arrangements may not be sufficient to safeguard Pension Fund assets.	Green
Failure to administer the scheme in line with regulations and guidance.	Green

- 6.2. The Fund's full risk register can be found on the Fund's website at the following link:
[Fund's Risk Register](#)

7. Communication Implications

- 7.1. Policy documents will be updated as appropriate and published on the Fund's website.

8. Legal Implications

- 8.1. There are no legal implications arising from the report.

9. Consultation with Key Advisers

- 9.1. Not applicable

10. Alternative Options Considered

- 10.1. Not applicable

11. Background Papers

- 11.1. None.

12. Appendices

- 12.1. Appendix A – Proposed Cash Management Strategy 2023 clean

- 12.2. Appendix B – Proposed Cash Management Strategy 2023 tracked

Checklist of Key Approvals

Is this decision included in the Business Plan? Not applicable.

Will further decisions be required? If so, please outline the timetable here No.

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? 26/5/2023

Has this report been cleared by Head of Pensions? 10/5/2023

Has the Chair of the Pension Fund Committee been consulted? 26/5/2023

Has this report been cleared by Legal Services? 11/5/2023

Cash Management Strategy

Published XX XXXX 2023



Administered in partnership

1. Regulations

9.1. Under The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 the Fund is required to have its own separate bank account (paragraph 6.1). A number of other instructions are set out in the regulations regarding managing the Funds cash, these are listed below.

1.1.1. Regulation 5 – Restriction on power to borrow. This regulation states that an authority may only borrow by way of temporary loan or overdraft for the purpose of paying benefits due under the scheme or to meet investment commitments. The authority may only borrow if it reasonably believes that the sum borrowed and interest charged can be repaid by the pension fund within 90 days of borrowing.

1.1.2. Regulation 7.8 – Investment Strategy Statement. The authority must invest, in accordance with its investment strategy, any fund money that is not needed immediately to make payments from the fund.

2. Other Regulatory Influences

2.1. The Fund will also have regard to:

- [Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes \(Treasury Management Code\) \(2011\).](#)
- MHCLG Investment Guidance,
- The UK Money Markets Code,
- EU Money Market Funds (MMF) Regulation.

3. Objectives

3.1. The main objectives of a Cash Management Strategy are to ensure that:

3.1.1. The Fund is compliant with The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016,

3.1.2. Cash is available as and when required,

3.1.3. Surplus cash is invested,

3.1.4. Risks inherent within the Key Principles are managed.

4. Key Principles

4.1. There are three key principles relating to cash management:

4.1.1. Security – Safeguarding Pension Fund assets,

4.1.2. Liquidity – Ensuring the Pension Fund has cash available as and when required,

4.1.3. Yield – To achieve a market return.

5. Overdraft

5.1. An overdraft is a form of borrowing and the 2016 Regulations specify only two reasons that the Fund can legally overdraw, as set out in paragraph 1.1.1. above.

5.2. The Fund bank accounts operate with a zero aggregate overdraft facility, with strong financial control processes over cash activities.

6. Cash Arrangements

6.1. The Fund currently holds cash at NatWest and at the Fund's Custodian Northern Trust, both of which have access to interest bearing accounts. There is **no** cash held with the Administering Authority.

6.2. NatWest Bank

Operational cash is held at NatWest Bank, managed directly by Officers. A minimal balance is maintained, varying upon the information available from the three key interfaces:

6.2.1. Accounts Receivable - this account receives all contributions, transfers and invoiced income.

6.2.2. Payroll Account – Pension benefits are paid from this account monthly.

6.2.3. Payables Account – All invoice payments, grants and lump sums are payments are made from this account.

At close of business each day any surplus/shortfall on the above accounts are swept into an overarching interest bearing Liquidity Account to ensure a residual balance of £10,000 on each.

6.3. Northern Trust (Custodian)

The Fund will transfer surplus money from NatWest Bank accounts to the Fund's account at the Custodian for investment in line with the Fund's Investment Strategy. This account also acts as a gateway to receive and pay monies to Investment Managers, for example, cash from Investment distributions. The Fund has a contractual agreement with the Custodian to sweep excess cash into Money Market Funds.

6.4. Investment Managers

Investment managers hold cash at Northern Trust as part of their mandates. Whilst this cash is under the managers' control, it can be recalled by the Fund.

7. Key Cash Flow Movements/Timings

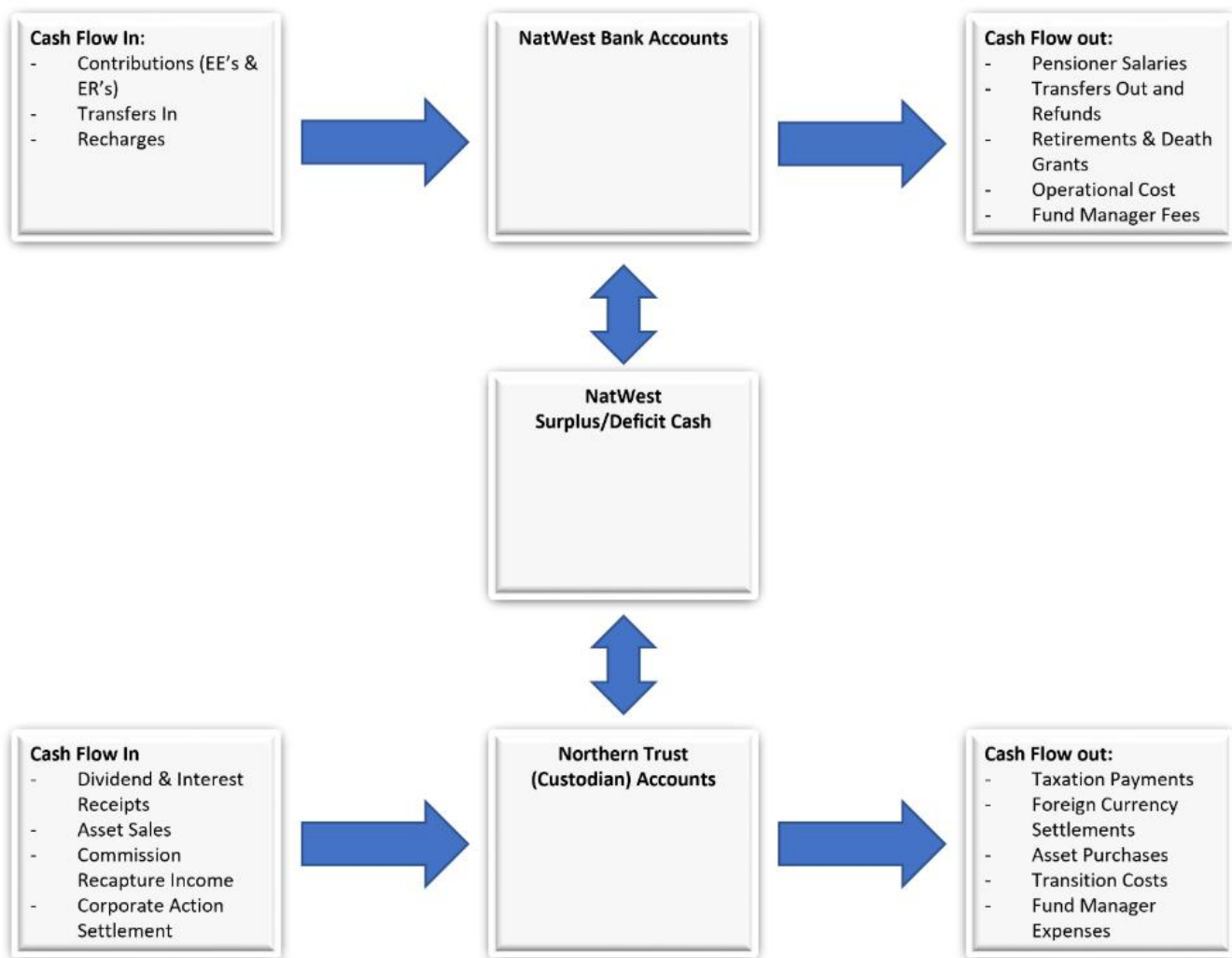
7.1. NatWest Bank

The key activities that occur within the NatWest accounts, noted at 6.2. above are monitored by Officers through regular profiling of cash movements, which identifies surplus balances or forecast shortfalls, prompting a transfer of cash to, or from, the Custodian.

There are three streams of activity; receipt of income through Accounts Receivable, payment of pension benefits through payroll and ad hoc payments through Accounts Payable. Contribution income is required to be received by the 19th of the month. This is important as it represents the receipt of income prior to the payment of the pensioners' payroll on the last working day of the month. The payments through Accounts Payable occur on an irregular pattern dependent upon demand, with the main activity being the payment of new pension liabilities such as retirement grants, in addition to death grants, transfers out and refunds.

7.2. Custodian

Officers manage the Fund's cash requirements and will first recall cash from the Custodian cash account, then from Investment Managers, giving regard to the asset allocation, liquidity and exit costs of investment assets, as required. Similarly, investing of Fund surpluses will also be in line with the Fund's Investment Strategy.



8. Operational Issues

Risk	Implication	Mitigation
Exit payments, where cash is due to Employers within the Fund who have a contribution surplus, and Employers transferring their assets and liabilities out of the Fund, generate risks to cash flows and the balance of cash within the Fund.	<ul style="list-style-type: none"> - Becoming overdrawn - Lack of liquidity to fund payments 	<ul style="list-style-type: none"> - Clear inter-team communication - Segregation of duties - Sale of assets
Timing of payments result in payments exceeding the working balance held at NatWest Bank, requiring a recall of cash from the Custodian.	<ul style="list-style-type: none"> - Becoming overdrawn - Lack of liquidity to fund payments 	<ul style="list-style-type: none"> - Stringent cash management and forecasting - Ability to delay non-essential payments to ease cashflow
A dependency upon Treasury to action instructions from the Pension Fund in a timely manner.	<ul style="list-style-type: none"> - Lack of liquidity to fund payments 	<ul style="list-style-type: none"> - Stringent cash management and forecasting - Segregation of duties
An investment drawdown where insufficient cash is	<ul style="list-style-type: none"> - Becoming overdrawn - Lack of liquidity to fund payments 	<ul style="list-style-type: none"> - Stringent cash management and forecasting

held by the Custodian on behalf of the Fund.		
County Council officers, with access to Pensions systems, can action fraudulent or erroneous cash movements.	<ul style="list-style-type: none"> - Becoming overdrawn - Payments made to/from wrong bank account - Fraudulent activities 	<ul style="list-style-type: none"> - Segregation of duties - Approval from Pension Senior Management required for cash movements
Surplus cash is not invested in line with the Investment Strategy Statement on a timely basis.	<ul style="list-style-type: none"> - Loss of economic benefit to the Fund 	<ul style="list-style-type: none"> - Stringent cash management - Clear inter-team Communication

9. Effective date and reviews

- 9.1. The policy was first approved by the Pension Fund Committee on 28 March 2019 and was effective from 29 March 2019. The policy has since been subject to the following reviews:

Date of review	Policy effective date:
8 June 2023	

10. Glossary

Custodian – An external body responsible for ensuring the investing Fund's assets are registered in the name of the Fund, managing the settlement of trades, collecting income arising and reporting transactions and values to the Fund on a regular basis.

Deficit – An outcome where expenses exceed income.

Investment Manager – An external organisation that makes investments in assets on behalf of clients.

Money Market – A mutual fund that invests in cash and cash equivalent securities.

Surplus – An outcome where income exceeds expenditure.

Cash Management Strategy
Published ~~XX29th~~ XXXX March
~~2023~~19



West
Northamptonshire
Council



Cambridgeshire
County Council

Administered in partnership

1. Regulations

9.1. Under The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 the Fund is required to have its own separate bank account (paragraph 6.1). A number of other instructions are set out in the regulations regarding managing the Funds cash, these are listed below.

1.1.1. Regulation 5 – Restriction on power to borrow. This regulation states that an authority may only borrow by way of temporary loan or overdraft for the purpose of paying benefits due under the scheme or to meet investment commitments. The authority may only borrow if it reasonably believes that the sum borrowed and interest charged can be repaid by the pension fund within 90 days of borrowing.

1.1.2. Regulation 7.8 – Investment Strategy Statement. The authority must invest, in accordance with its investment strategy, any fund money that is not needed immediately to make payments from the fund.

2. Other Regulatory Influences

2.1. The Fund will also have regard to:

- [Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes \(Treasury Management Code\) \(2011\).](#)
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- The UK Money Markets Code,
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3.1.2. Cash is available as and when required,

3.1.3. Surplus cash is invested,

3.1.4. Risks inherent within the Key Principles are managed.

4. Key Principles

4.1. There are three key principles relating to cash management:

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5. Overdraft

5.1. An overdraft is a form of borrowing and the 2016 Regulations specify only two reasons that the Fund can legally overdraw, as set out in paragraph 1.1.1. above.

5.2. The Fund bank accounts operate with a zero aggregate overdraft facility, with strong financial control processes over cash activities.

6. Cash Arrangements

6.1. The Fund currently holds cash at [Barclays NatWest](#) and at the Fund's Custodian Northern Trust, both of which have access to interest bearing accounts. There is **no** cash held with the Administering Authority.

6.2. [Barclays NatWest](#) Bank ~~Ple~~

Operational cash is held at [Barclays NatWest](#) Bank, managed directly by Officers. A minimal balance is maintained, varying upon the information available from the three key interfaces:

6.2.1. Accounts Receivable - this account receives all contributions, transfers and invoiced income.

6.2.2. Payroll Account – Pension benefits are paid from this account monthly.

6.2.3. Payables Account – All invoice payments, grants and lump sums are payments are made from this account.

At close of business each day any surplus/shortfall on the above accounts are swept into an overarching interest bearing Liquidity Account to ensure a residual balance of £10,000 on each.

6.3. Northern Trust (Custodian)

The Fund will transfer surplus money from [Barclays NatWest](#) Bank accounts to the Fund's account at the Custodian for investment in line with the Fund's Investment Strategy. This account also acts as a gateway to receive and pay monies to Investment Managers, for example, cash from Investment distributions. The Fund has a contractual agreement with the Custodian to sweep excess cash into Money Market Funds.

6.4. Investment Managers

Investment managers hold cash at Northern Trust as part of their mandates. Whilst this cash is under the managers' control, it can be recalled by the Fund.

7. Key Cash Flow Movements/Timings

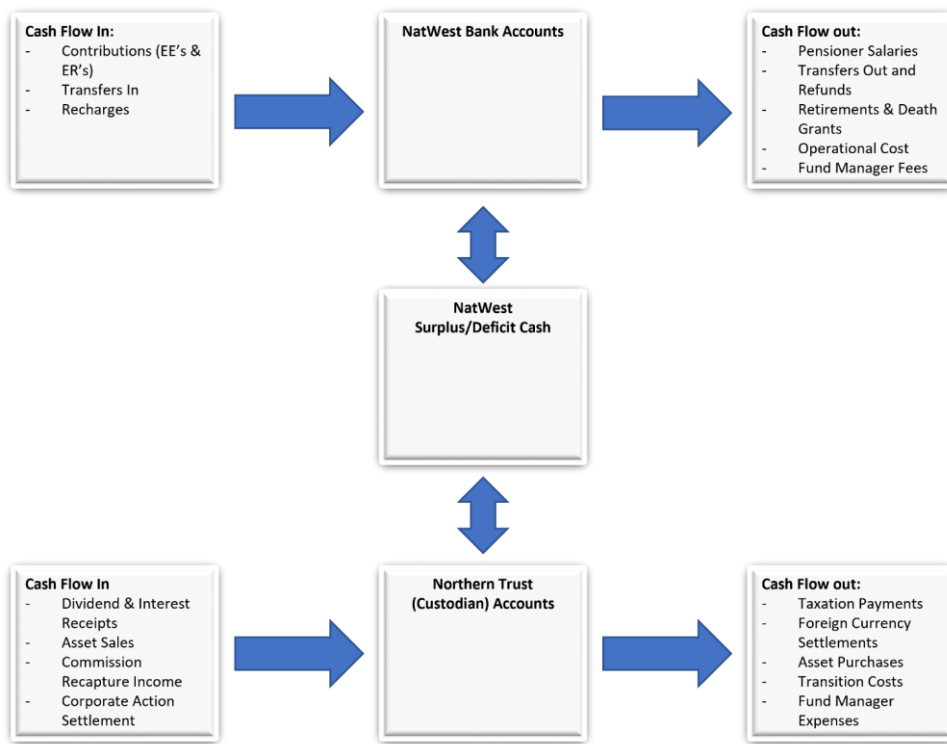
7.1. [Barclays NatWest](#) Bank

The key activities that occur within the [NatWestBarclay's](#) accounts, noted at 6.2. above are monitored by Officers through regular profiling of cash movements, which identifies surplus balances or forecast shortfalls, prompting a transfer of cash to, or from, the Custodian.

There are three streams of activity; receipt of income through Accounts Receivable, payment of pension benefits through payroll and ad hoc payments through Accounts Payable. Contribution income is required to be received by the 19th of the month. This is important as it represents the receipt of income prior to the payment of the pensioners' payroll on the last working day of the month. The payments through Accounts Payable occur on an irregular pattern dependent upon demand, with ~~the its~~ main activity being the payment of new pension liabilities such as retirement grants, in addition to death grants, ~~and~~ transfers out [and refunds](#).

7.2. Custodian

Officers manage the Fund's cash requirements and will first recall cash from the Custodian cash account, then from Investment Managers, giving regard to the asset allocation, liquidity and exit costs of investment assets, as required. Similarly, investing of Fund surpluses will also be in line with the Fund's Investment Strategy.



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8. Operational Issues

Risk	Implication	Mitigation
Exit payments, where cash is due to Employers within the Fund who have a contribution surplus, and Employers transferring their assets and liabilities out of the Fund, generate risks to cash flows and the balance of cash within the Fund.	<ul style="list-style-type: none"> -Becoming overdrawn -Lack of liquidity to fund payments 	<ul style="list-style-type: none"> -Clear inter-team communication -Segregation of duties -Sale of assets
Timing of payments result in payments exceeding the working balance held at Barclays NatWest Bank, requiring a recall of cash from the Custodian.	<ul style="list-style-type: none"> -Becoming overdrawn -Lack of liquidity to fund payments 	<ul style="list-style-type: none"> -Stringent cash management and forecasting -Ability to delay non-essential payments to ease cashflow
A dependency upon LGSS Treasury to action instructions from the Pension Fund in a timely manner.	<ul style="list-style-type: none"> - Lack of liquidity to fund payments 	<ul style="list-style-type: none"> -Stringent cash management and forecasting -Segregation of duties

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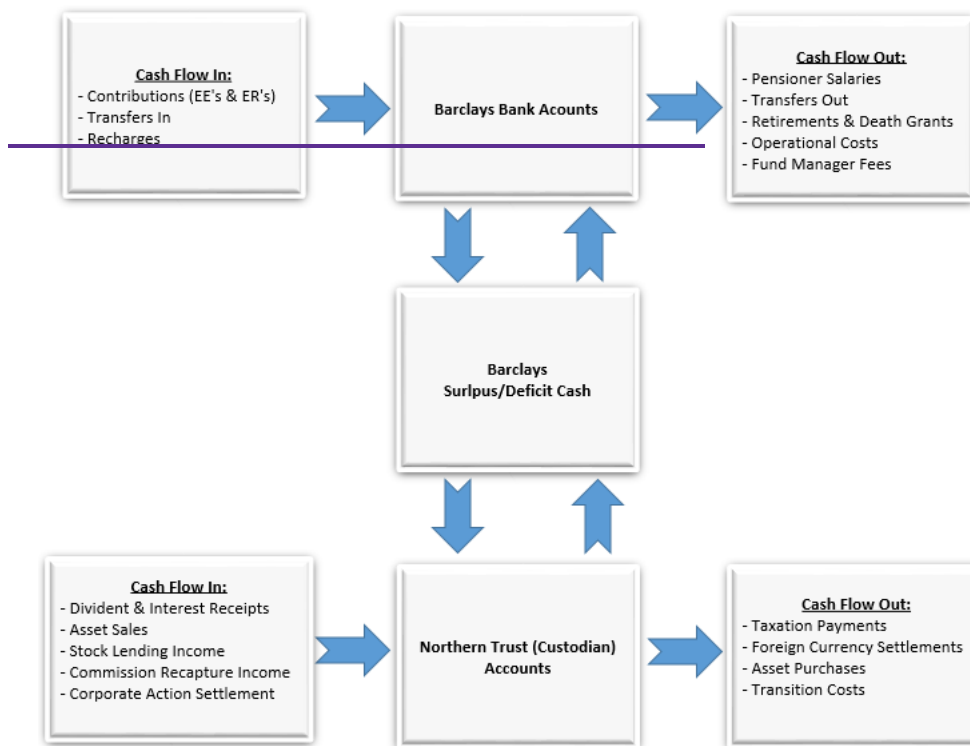
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An investment draw-down where insufficient cash is held by the Custodian on behalf of the Fund.	- Becoming overdrawn - Lack of liquidity to fund payments	- Stringent cash management and forecasting
County Council officers, with access to Pensions systems, can action fraudulent or erroneous cash movements.	- Becoming overdrawn - Payments made to/from wrong bank account - Fraudulent activities	- Segregation of duties - Approval from Pension Senior Management required for cash movements
Surplus cash is not invested in line with the Investment Strategy Statement on a timely basis.	- Loss of economic benefit to the Fund	- Stringent cash management - Clear inter-team Communication



9. Effective date and reviews

9.1. The policy was first approved by the Pension Fund Committee on 28 March 2019 and was effective from 29 March 2019. The policy has since been subject to the following reviews:

<u>Date of review</u>	<u>Policy effective date:</u>
<u>8 June 2023</u>	

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9-10. Glossary

Custodian – An external body responsible for ensuring the investing Fund's assets are registered in the name of the Fund, managing the settlement of trades, collecting income arising and reporting transactions and values to the Fund on a regular basis.

Deficit – An outcome where expenses exceed income.

Investment Manager – An external organisation that makes investments in assets on behalf of clients.

Money Market – A mutual fund that invests in cash and cash equivalent securities.

Surplus – An outcome where income exceeds expenditure.

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Cambridgeshire Pension Fund Committee/Investment Sub Committee Agenda Plan

Meeting date	Agenda item	Lead officer
8/6/2023 PFC	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Cash Management Strategy [approval]	M Whitby
	Risk Monitoring [to note] exempt	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby
20/7/2023 PFC	Training Strategy [approval]	M Oakensen
	Draft Accounts [to note]	B Barlow
	Annual Investments Review [to note] exempt	B Barlow
	Mercer Annual Report [to note] exempt	B Barlow
22/9/2023 ISC	Quarterly Performance [standing]	B Barlow
	Long Lease Property Manager Selection Update / Decision [to note]	B Barlow
	Fund Manager Presentation [to note] exempt	B Barlow
	Strategic Asset Allocation Update [to note]	B Barlow
	Climate Passive Update [to note]	B Barlow

4/10/2023 PFC	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	External Audit plan [to note]	B Barlow
	Code of Practice Action Plan [to note]	M Oakensen
	Good Governance Review Action plan [to note]	M Oakensen
	AVC Review [approval] - exempt	M Oakensen
	Revised Investment Strategy Statement [approval] – exempt	B Barlow
	ACCESS Update [standing item] exempt	M Whitby
16/11/2023 ISC	Quarterly Performance Report [standing]	B Barlow
	Stewardship Report [to note]	B Barlow
	Fund Manager Presentation [to note] exempt	B Barlow
	Strategic Asset Allocation [to note]	B Barlow
	Equity Portfolio Review [approval]	B Barlow
	Impact Investments in Private Markets [to note]	B Barlow
20/12/2023 PFC	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose

	Audit final accounts and results [to note]	B Barlow
	Cambridgeshire Pension Fund assurance report on potential breaches of the law [to note]	M Oakensen
	Administration Strategy [approval]	C Blose
	Risk Monitoring [standing item] – exempt	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby
29/2/2024 ISC	Quarterly Performance [standing]	B Barlow
	Fund Manager Presentation [to note] exempt	B Barlow
	Annual Climate Reporting and Metrics Update [to note]	B Barlow
28/3/2024 PFC	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Governance Policy and Compliance Statement [approval]	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby

