

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 12 April 2017

Report by: Head of Pensions

Subject:	Pension Fund Annual Business Plan and Medium Term Strategy, 2017-18 to 2019-20
Purpose of the Report	To outline the Fund's objectives for 2017-18 and provide a plan of action as to how key priorities will be achieved.
Recommendations	The Board are asked to note the attached Business Plan for 2017-18 provided in the appendix to this report.
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1. Background

- 1.1 Good governance ensures that pension funds adopt a Business Plan that details the Fund's objectives and sets out key priorities for the forthcoming year, and in some cases, subsequent years.
- 1.2 The proposed Business Plan for the Cambridgeshire Pension Fund is attached in appendix 1.

2. The Business Plan 2017-18

2.1 Executive summary

- 2.1.1 The executive summary explains the challenges that the Fund has faced and will continue to face over recent and forthcoming years. These challenges range from the requirements of the Public Service Pensions Act 2013 to asset pooling in the LGPS.

2.2 Purpose and scope of the Fund

- 2.2.1 This section provides a high level overview of how the Fund operates in terms of its relationship with the administering authority through delegated responsibilities to the Pension Committee, the Scheme's administration arrangements with LGSS, the role of the Local Pension Board and the relationship with its stakeholders.

2.3 Contextual information on the Cambridgeshire Pension Fund

- 2.3.1 This section provides membership data, the Fund's assets and liabilities and investment information as at 31 December 2016 in order to provide the context behind the content of the Business Plan.

2.3.2 The section also details estimates of the fund account, investment income and expenditure and administration expenses for the period 2016-17 to 2018-19.

2.4 Fund Objectives

2.4.1 The setting of clear objectives is critical to effective business planning. The objectives were revised in 2015 and remain current for the forthcoming year and are set out in section 3 of the Business Plan.

2.5 Key Fund activities 2017-18

2.5.1 This section details the key activities that will be undertaken during 2017-18. The activities are split into high level categories with a link to the relevant objective or multiple objectives as detailed below:

Activity	
Ensuring and maintaining regulatory compliance/best practice	<p>Ensure and maintain compliance with the Pensions Regulator's code of practice and the Public Service Pensions Act 2013.</p> <p>Ensure Pension Committee, Local Pension Board and Officers of the Fund have appropriate knowledge to inform and make decisions.</p>
Ensuring and maintaining data quality	Review, improve and maintain data quality.
Utilising technological solutions	<p>Explore the use of Altair to make payments of non-payroll items to achieve cost savings, efficient processes and increased quality of service.</p> <p>Utilise Altair to provide self service facilities to scheme members and scheme employers to enable faster and more efficient exchanges of information. Explore new MSS offerings.</p> <p>Reduce the reliability on manual functions in favour of automated solutions.</p>
Utilising collaboration	<p>Procurement of actuarial, governance and benefits consultancy service.</p> <p>Proactively participate in the creation of a multi asset pool to meet the government's investment pooling agenda.</p>
Managing risk	<p>Managing the risks associated with the increasing volume and diversity of scheme employers.</p> <p>Continued maintenance and monitoring of the Risk Register.</p>
Managing Fund performance – administration	<p>Monitor and improve stakeholder satisfaction.</p> <p>Monitor and deliver required levels of administration performance for scheme employers and the service.</p> <p>Undertake full review of the Administration Strategy.</p>

Activity	
Ensuring effective communications	<p>Deliver plain English communications</p> <p>Deliver effective and timely communications to scheme members and scheme employers.</p>
Maintain appropriate cash flow	<p>Ensure employee and employer contributions are received on time for each scheme employer.</p> <p>Ensure all overpayments of pension benefits are managed in a cost effective and timely manner.</p>
Maintaining long-term Fund solvency	Regularly monitor the funding level.
Maintaining value for money	Demonstrate that the Fund is operating in a manner that achieves value for money.

2.6 Performance Indicators

- 2.6.1 Section 5 of the Business Plan details the key performance indicators that the LGSS Pensions will report on during 2017-18 as agreed in the Fund's Administration Strategy.

3. Finance & Resources Implications

- 3.1 Performance against the estimates of the fund account, investment income and expenditure and administration expenses estimates will be reported quarterly to the Pension Fund Board via Administration Reports.

4. Risk Implications

- a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
No risk as it is best practice that the Fund has an approved Business Plan.	N/A	N/A

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

Risk	Risk Rating
If the Fund does not have a Business Plan there is potential for a lack of direction, control and structure in the management of its business.	Red

5. Communication Implications

Direct Communications	An update on progress made against the activities in the Business Plan will be presented to the Pension Committee each meeting.
Website	The Business Plan will be published on the Fund's website.

6. Legal Implications

6.1 Not applicable.

7. Consultation with Key Advisors

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

8. Alternative Options Considered

8.1 The alternative of not having a business plan is not considered an acceptable alternative for the Fund.

9. Background Papers

9.1 Not applicable.

10. Appendices

10.1 Appendix 1 Annual Business Plan and Medium Term Strategy 2017-18

Checklist of Key Approvals	
Is this decision included in the Business Plan?	N/A
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 Head of Pensions?	Mark Whitby – 24/02/2017