

Cambridgeshire Pension Fund

Pension Fund Board

Date: 28 April 2023

Report by: Head of Pensions

Subject:	Pension Fund Annual Business Plan and Medium-Term Strategy 2023/24 to 2025/26
Purpose of the Report	To present the Annual Business Plan and Medium-Term Strategy which details the Fund's key areas of activity over the period 2023/24 to 2025/26
Recommendations	The Board is asked to note the Business Plan and Medium-Term Strategy and associated appendices.
Enquiries to:	Mark Whitby - Head of Pensions mark.whitby@westnorthants.gov.uk

1. Background

1.1 It is considered good governance for the Cambridgeshire Pension Fund to adopt a Business Plan and Medium-Term Strategy that:

- Sets out the objectives of the administering authority with regards to the management of the fund;
- Documents the priorities and improvements to be implemented during the next three years to help achieve those objective;
- Enables progress and performance to be monitored in relation to those priorities; and
- Provides a clear vision for the next three years.

1.2 The Business Plan and Medium-Term Strategy for the Cambridgeshire Pension Fund for the period 2023/24 to 2025/26 is in Appendix 1.

2. Update on the 2022/23 Business Plan

2.1 The Business Plan activities from the 2022/23 financial year have been reviewed with a year-end position being established. The majority of activities have achieved a 'green' RAG status whereby the activity is either completed or it was pre-determined that the activity would be completed after March 2023.

2.2 There were two exceptions where the RAG status was 'red' in the following areas –

- Complete the Guaranteed Minimum Pension Rectification
- Processing of undecided leaver records

These activities did not progress at the desired rate for 2022/23 and have been rescheduled as part of the 2023/24 Business Plan for resolution.

2.3 Full details of the year-end position of all the activities can be located in Appendix 2.

2.4 The latest available variances against the forecast of investments and administration expenses for the 2022/23 year can be located in Appendix 3.

3. Business plan and Medium-Term Strategy 2023/24

3.1 The Business Plan and Medium-Term Strategy concentrates on activities that are not considered business as usual, identifying key milestones and budget requirements. It is split into the following core areas:

- Procurement of services
- Core governance activities
- Scheme member and data projects
- Investment related activities
- Communications

3.2 Progress made against the Business Plan will continue to be reported to the committee and board at each meeting via the Business Plan Update report or other relevant report (where appropriate). Where progress against the Business Plan has fallen behind schedule further detail will be provided.

3.3 Estimated costs for the activities in Appendix 1 have been detailed alongside the activity and within the financial forecasting for the relevant years. Where further costs become known during the course of the new financial year these will be notified to the committee and board via the Business Plan Update report.

3.4 The Climate Action Plan for 2023/24 is located at Appendix 4. The Climate Action Plan has been updated and expanded from the previously published version. The new version is published on the fund's website.

4. Core Documents of the Fund

4.1 The Pension Fund is required to publish core documents in relation to the administration of the fund and make sure that they are accessible to its members. The Business Plan introduces a three-year review cycle (unless stated otherwise) on policies and strategies with the delegated authority for officers to review within the interim period and make non-material amendments as required.

- 4.2 If material changes are required to a policy or strategy before the three-year review point, the changes will be brought for approval at the next available meeting, for example this may be where regulations have changed which impacts the fundamental basis of a policy or strategy in place.

5. Pension Fund procurements

- 5.1 During 2023-24 the Cambridgeshire Pension Fund will be actively participating in procuring services in the following areas:
- Actuarial services
 - Benefits and governance consultancy services
 - Legal services
 - Pensions administration and pensioner payroll platform
 - Address and mortality screening services
- 5.2 In order to run the exercises efficiently the committee approved the delegation for the Head of Pensions to undertake these procurements and award the successful supplier's contracts at the appropriate times. Without the delegation in place there was a risk that decisions are not made in a timely manner and may impact the overall implementation dates.

6. Relevant Fund Objectives

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.
To continually monitor and measure clearly articulated objectives through business planning.
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

7. Finance & Resources Implications

- 7.1 Performance against the financial estimates in the Business Plan will be presented to the committee and board each meeting. The Business Plan sets out the cost of each activity where known and where costs become known during the course of the year the committee and board will be updated accordingly.

8. Risk Management

- 8.1 The 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 committee and Pension Fund Board at every meeting.
- 8.2 The risks associated with failing to monitor progress made against the Business Plan and Medium-Term Strategy have 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
Pension Fund objectives are not defined and agreed.	Green
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green

8.3 The fund's full risk register can be found on the Pension Fund's website, as listed in Section 13, Background Papers.

9. Communication Implications

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

10. Legal Implications

10.1 Not applicable.

11. Consultation with Key Advisers

11.1 The Pension Fund's current key advisers have been consulted in the Business Plan and Medium-Term Strategy where necessary.

12. Alternative Options Considered

12.1 Not applicable.

13. Background Papers

13.1 [Pension Fund Risk Register](#)

14. Appendices

14.1 Appendix 1 – Annual Business Plan and Medium-Term Strategy 2022/23 to 2024/25

Appendix 2 – Year-end status of Business Plan activities 2022/23

Appendix 3 – Variances against the forecast of investments and admin expenses 2022/2023

Appendix 4 - Climate Action Plan

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 12/4/2023