

## Local Pension Fund Board Minutes

Date: 28 April 2023

Time: 10:00am – 12:15 pm.

Venue: Virtual

Present: Employer Representatives: Parish Councillor Denis Payne [Chair]; and  
County Councillors Simon King and Geoffrey Seeff

Employee Representatives: Val Limb and Barry O'Sullivan [Vice-Chair]

### 89. Apologies for Absence and Declarations of Interest

The Chair welcomed Councillor Geoffrey Seeff to the board and thanked Councillor Philippa Slatter and Mr Martin Dachs for their attendance on the board.

No apologies for absence were received.

Mr O'Sullivan declared an interest with regard to Item 3: Reappointment of a Board Member and would be removed for the duration of the item.

### 90. Local Pension Fund Board Minutes – 27 January 2023 and Action Log

The minutes of the previous meeting were published as a late item. Consequently, it was agreed to defer approval of the minutes of the meeting held on 27 January 2023 until the meeting of 30 June 2023.

The board noted the action log and agreed not to proceed with the Valuation Report action.

### 91. Reappointment of a Board Member

The Local Pension Fund Board received a report recommending the reappointment of Mr Barry O'Sullivan to the board for a further four-year period. Mr O'Sullivan sat on the board as an employee representative and not on behalf of the union.

It was unanimously resolved to recommend to the Monitoring Officer the re-appointment of Barry O'Sullivan for a further four year term running to the end of July 2027.

## 92. Administration Report

The Local Pension Fund Board received a report which demonstrated the Cambridgeshire Pension Fund's performance for the period 1 January 2023 to 31 March 2023. The report noted: an average receipt of 99.8% contributions; one resolved missed KPI relating to active employment benefit payments, following which training had been implemented; a common data score of 95.1%; three internal dispute resolution procedure determinations one upheld and two not upheld; and three non-material breaches of the law - one associated with issuing entitlement letters shortly after the statutory deadline. The officer clarified that the report now included previous cessation resolutions; and that the overpayment quoted in the report was a teachers' compensatory added pension, which did not impact the fund.

In response to the report, members:

- Noted that the Administration Strategy, was under review in conjunction with Aon and would review options for enforcement against employers who were not meeting requirements.
- Clarified that there was a larger risk of overpayment after death when the bank account paid into was a joint account. However, overpayments were minimised through monthly mortality screening, a 'get in touch' letter process, next of kin contact, and the National Fraud Initiative. The overpayment referenced in the report was associated with another pension scheme service for which the Pension Fund performed a small administrative role.
- Acknowledged that the Local Government Pension Scheme was applied to members universally in line with regulations.
- Noted the supplementary and new KPIs were under development. Managers within the respective areas would develop them over twelve months, with a timetable scheduled for agreement next month.
- Understood that the Pension Regulator had placed emphasis on accurate address information and the Fund had undertaken a member tracing exercise. Younger scheme members may move several times before a benefit is due and therefore it can be difficult to keep in contact. It is encouraged that members keep us updated with changes in address preferably via member self-service.
- Established that each fund performed data quality exercises differently. The Cambridgeshire Pension Fund used the LGPS Framework to award a supplier for address and mortality screening. For those receiving pensions abroad, the fund conducted an overseas exercise. Should overseas pensioners not respond to Cambridgeshire Pension Fund correspondence, their pension would be suspended as a safeguarding measure. This would encourage the member to contact the organisation. To mitigate impact of this on the less able, proof of existence did not require onsite attendance. However, the officer agreed to review the processes of other funds in the regional group to determine what other funds did and whether other options could be considered. Action.

- Understood that the cessations update, as reviewed in the Pension Fund Committee Admissions/Cessations Report, included cause for cessation. Registered reason for cessation was predominantly contractual service termination and affordability.
- Confirmed pension tax was managed by payroll.

It was resolved to note the Administration Performance Report.

### 93. Governance and Compliance Report

The Local Pension Fund Board received a report which provided information on: the UK Pensions Dashboard Programme; the McCloud Remedy; the Pensions Regulator; the Pensions Ombudsman; the impact of The Edinburgh Reforms on the LGPS; the CARE Revaluation Consultation; and skills and knowledge opportunities.

The service had responded to the McCloud Remedy survey and the CARE Revaluation Consultation. For the latter, the regulations were in force using a retrospective and future considerations approach.

Permission from members for email address sharing would be sought to allow access to the new training platform without breaches of GDPR.

In response to the report, the following topics were raised:

- Dashboard Operators – Members requested further explanation on operators providing investment advice and a definition for ‘robo-advice’. **Action.**
- McCloud Remedy – Members acknowledged that individuals in the Teacher’s Pension Scheme with supplementary work may receive retrospective LGPS benefits as the original scheme had not accounted for work above fulltime hours. The Local Government Association’s explanation on this would be circulated. **Action.**
- CARE Revaluation Consultation – Members noted that the Cambridgeshire Pension Fund had completed work on transfer compliance and money helper information had been communicated to staff and members. Should the Pension Service receive a query that an individual was unable to answer, such as with regard to money helper, the call would be transferred to the relevant team.
- Skills and Knowledge Opportunities – Officers confirmed that the December LAPFF Conference listed on the training plan was to be held in Bournemouth.

It was resolved to note the Governance and Compliance Report.

#### 94. Pension Fund Annual Business Plan and Medium-Term Strategy 2023/24 to 2025/26

The board reviewed the approved Pension Fund Annual Business Plan and Medium-Term Strategy. Most aspects were on track, although the GMP reconciliation and multi-year unprocessed leavers project were not. Therefore, these were being monitored by the Local Pension Fund Board and extra resource had been provided to the latter. The Government Actuary Department had changed its discount rate, which led to all pension funds being required to suspend transfer quotations. For the Cambridgeshire Pension Fund, this impacted bulk transactions of unprocessed leavers and business as usual activity.

Software procurement had been released to tender, after which the preferred supplier would be consulted upon with the Section 151 Officer. Since data for the financial appendix had been gathered, there had been an increase in investment income and contribution rates.

In response to the report, members:

- Confirmed that the service had agreed to a year's extension on the existing contract for address and mortality screening while a new framework and fraud hub were under development.
- Clarified that a three-year cycle had been in place for some strategy reviews, but was now in place for all.
- Understood the Procurement Team ran the supplier selection process through the procurement portal, for which sign off would be enacted by the Section 151 Officer and, for higher thresholds, the Monitoring Officer. Quality was prioritised over cost.
- Learned that sharing administration between Northamptonshire and Cambridgeshire pension funds had caused savings through shared posts, particularly in the senior management team, and mutual exercises.
- Noted that those unprocessed leavers within two years would be bulk processed with a refund once the suspension of transfer quotes was halted. The impact of this suspension may become a concern if continued past May.

It was resolved to note the Business Plan and Medium-Term Strategy and associated appendices.

#### 95. Valuation Update

The Local Pension Fund Board received the final update on the Valuation Project which was concluded on 31 March 2023. The valuation report funding level sliding scale was dependent upon the predictions of the actuary. Cambridgeshire's primary contribution rate was 18%, the national average was 14-25%.

In response to the report, members:

- Were advised Hyman Robertson had indicated that, amongst their pension funds, the funding level for Cambridgeshire Pension Fund was within the medium to upper range.
- Noted that the final Funding Strategy Statement had been approved by the Pension Fund Committee.

It was resolved to note the Valuation Update.

## 96. Agenda Plan

The officer reported that the Code of Practice was not yet released, therefore the item would be delayed beyond June.

Members confirmed that the board's Chair and Vice-Chair would be elected in the June meeting, and that the Local Pension Fund Board member vacancy process would commence in due time. Members complimented the previous recruitment process and the opportunity for the Chair and Vice-Chair to vet candidates. It was agreed that members would receive a link to the job advert when it became available. **Action.**

The agenda plan was noted, pending inclusion of the Internal Audit Report.

## Exclusion of Press and Public

It was resolved that the press and public be excluded from the meeting on the grounds that the agenda contained exempt information under Paragraphs 1 & 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 any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information).

Chair