

PENSION FUND BOARD



Date: Wednesday, 20 January 2016

Democratic and Members' Services

Quentin Baker

LGSS Director: Law, Property and Governance

Shire Hall

Castle Hill

Cambridge

CB3 0AP

14:00hr

Shire Hall, Castle Hill, Cambridge, CB3 0AP

AGENDA

Open to Public and Press

1 Apologies and Declarations of Interest

Guidance for Councillors on declaring interests is available at

<http://tinyurl.com/ccc-dec-of-interests>

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CONFIDENTIAL

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

3 Procedure for Future Appointments to the Local Pensions Board 11 - 14

4 Executive Summary of Standing Items Presented to the Pensions Committee in October and December 2015 15 - 44

5 Review of Admissions Bodies, Scheme Employers & Bulk Transfers Policy 2015 45 - 48

6	Review of Employee and Employer Contributions 2015	49 - 52
7	Review Statement of Investment Principles	53 - 56
8	Agenda Plan	57 - 62
9	Exclusion of Press and Public	

That the press and public be excluded from the meeting during the consideration of the following report on the grounds that it is likely to involve the disclosure of exempt information under paragraph 3 of Schedule 12A of the Local Government Act 1972 as it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information)

10 Asset Pooling in the Local Government Pension Scheme
oral

The Pension Fund Board comprises the following members:

Mr Barry O'Sullivan (Vice-Chairman)

Mr David Brooks Mr Ian Dewar and Mr John Stokes Councillor Mac McGuire and Councillor Lucy Nethsingha

For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact

Clerk Name: Daniel Snowdon

Clerk Telephone: 01223 699177

Clerk Email: daniel.snowdon@cambridgeshire.gov.uk

<p>The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.</p>

These arrangements operate in accordance with a protocol agreed by the Chairman of the Council and political Group Leaders which can be accessed via the following link or made available on request: <http://tinyurl.com/ccc-film-record>.

Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution <http://tinyurl.com/cambs-constitution>.

The Council does not guarantee the provision of car parking on the Shire Hall site and you will need to use nearby public car parks <http://tinyurl.com/ccc-carpark> or public transport



**Cambridgeshire Local
Pension Board**

Minutes-Action Log

Introduction:

This log captures the actions arising from the Cambridgeshire Local Pension Board 16th July 2015 and will form an outstanding action update from meetings of the Committee to update Members on the progress on compliance in delivering the necessary actions.

This is the updated action log as at 12th October 2015

Minutes of 16th July 2015					
Minute No.	Report Title	Action to be taken by	Action	Comments	Completed
4.	Cambridgeshire Local Pension Fund Board Terms of Reference & Standing Orders	D Cave	A report to be presented to the Pensions Committee regarding confidential items enabling Board Members to remain when confidential items are discussed.	Report presented to the Pensions Committee on 30 th July 2015 and was agreed unanimously.	Completed
5.	Membership of The Cambridgeshire Local Pension Board – Appointment To Employer and	M Rowe	To contact those who had shown interest in the position to enquire as to why they had not pursued it further.		Completed

	Member Vacancies.				
5.	Membership of The Cambridgeshire Local Pension Board – Appointment To Employer and Member Vacancies.	Cllr McGuire/M Rowe.	The Chairman to review the advertising process for both the employer and member vacancies with Democratic Services.		Completed
6.	Presentation on The Operation of The Cambridgeshire Pension Fund.	J Walton/D Snowdon	Governance Policy and Compliance Statement to be circulated to Board Members		Completed
6.	Presentation on The Operation of The Cambridgeshire Pension Fund.	J Walton	Draft of Risk Register to be presented to the next meeting of the Board.		
7.	Cambridgeshire Local Pension Board – Knowledge and Understanding Policy Framework	M Oakensen/ D Snowdon	Democratic Services should work with the Pensions Team and keep updated a list of the core documents recording policy about the administration of the Fund with electronic links	The following link is to a web page that contains all the core documents required http://pensions.cambridgeshire.gov.uk/index.php/governance2/key-documents	Completed
7.	Cambridgeshire Local Pension Board – Knowledge and	J Walton/D Snowdon	Democratic Services to develop a training record for Members of the Board.	Example attached at appendix 1	Completed

	Understanding Policy Framework				
8.	Cambridgeshire Local Pension Board – Work Programme.	D Snowdon	No-councillor representatives should sign the Council's Code of Conduct and complete a Declaration of Interests form.		Completed
9.	Local Pension Board Meeting Dates 2015-16	D Snowdon	The Democratic Services Officer to liaise with Board members regarding potential meeting dates.		Completed
9.	Local Pension Board Meeting Dates 2015-16	D Snowdon	Board members to be provided with future Pension Committee meeting dates.		Completed
9.	Local Pension Board Meeting Dates 2015-16	J Walton/D Snowdon	Future dates of training sessions to be circulated to Members of the Board.		Ongoing

Minutes of 21st October 2015

12.	Cambridgeshire Local Pension Board – Terms of Reference, Standing Orders & Code of Conduct.	M Rowe/D Snowdon	The Board to consider the outcome of the Local Government Scheme Advisory Board review of the newly formed Local Pensions Boards.		Ongoing.
12.	Cambridgeshire Local Pension Board – Terms of Reference, Standing Orders & Code of Conduct.	M Rowe/D Snowdon	Pension Committee agenda and minutes to be circulated to Board members.		

13.	June 2015 Pension Committee Meeting Standing Reports.	J Walton/M Whitby	A report explaining the circumstances and preventative measures implemented that was being produced regarding the cessation deficit of Mepal Outdoor Centre to be for the Pensions Committee to be circulated to the Board.	Committee report circulated to Board members on 16.11.2015	Completed
14.	Cambridgeshire Pension Fund Annual Report and Statement of Accounts 2014-15	J Walton/M Whitby	High level quarterly update report to be circulated to Board members	Quarterly reports are produced by WM State Street and these will be available from February 2016 via the Democratic Services secure portal for Committee Reports.	Ongoing.
14.	Cambridgeshire Pension Fund Annual Report and Statement of Accounts 2014-15	J Walton/M Whitby	A member questioned whether the table that displayed the unit cost per member on page 107 of the agenda was accurate as there were other costs associated but not shown. It was explained that the Chartered Institute of Public Finance and Accountancy (CIPFA) determined the level of information to be reported. It was agreed that further details would be produced at a future meeting of the Board. Members noted that the Pension Scheme Advisory Board was also looking at the issue.	A new CIPFA Benchmarking report has been written for Pension Committee and will be circulated to Local Pension Board members along with the December Pension Committee papers by Democratic Services. Also available at the link below; http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/AgendaItem.aspx?agendaItemID=12518	Completed

14.	Cambridgeshire Pension Fund Annual Report and Statement of Accounts 2014-15	J Walton/M Whitby	Due to the confusion of the name used by Enterprise Management Services it was agreed to bracket the new name alongside the old name and report to Board members whether the old name should be retained.	Still known as Enterprise Managed Services Ltd for Local Government Pension Scheme Purposes.	Completed .
14.	Cambridgeshire Pension Fund Annual Report and Statement of Accounts 2014-15	J Walton/M Whitby	It was explained that higher fees could be a positive because those fund managers that attracted higher fees could deliver higher returns. The Board agreed that it would be investigated why there were variations	To be explained in detail at the training session at the April 2016 meeting of the Local Pension Board.	Ongoing.
14.	Cambridgeshire Pension Fund Annual Report and Statement of Accounts 2014-15	J Walton/M Whitby	Concern was raised over the ability of the Board to recruit substitute members. It was agreed that the newsletter issued to scheme members should be utilised to introduce the Board and its members.	Informed Communications Team (13/11/2015)	Completed
16.	Knowledge and Understanding Policy Framework	J Walton/M Whitby	Board members requested details of when communications from the Pension Fund were due to be issued in order that the Board could utilise them	The next pensioner newsletter is due to be published at the end of March. Local Pension Board members are advised that due to the lead time involved in producing the newsletter and inclusions will need to be notified to the Communications Team by mid-February at the latest. The active member newsletter is due for publication by 31 August. Any inclusions	Ongoing

				into this communication will need to be notified to the Communications Team by mid-June.	
16.	Knowledge and Understanding Policy Framework	J Walton/M Whitby	Board members agreed that their pictures should be placed on the LGSS Pensions website together with a small biography. This would also link to the Cambridgeshire County Council website.	An appointment to take photographs and to write a small biography will be arranged with Democratic Services prior to the start of a Board meeting.	Ongoing.
10.	Annual General Meeting Catch-up Report.	J Walton/M Whitby	The fees for Skagen and Partners Group were questioned by the Board. Officers advised that the Pension Committee agreed the fee structure for Skagen and that they were being tasked with delivering significant returns above benchmark. Partners Group were highly specialised and officers agreed to look into the fee structure.	To be explained in detail at the training session at the April 2016 meeting of the Local Pension Board.	Ongoing.

PROCEDURE FOR FUTURE APPOINTMENTS TO THE LOCAL PENSION BOARD

To: **Cambridgeshire Local Pension Board**

Date: **20th January 2016**

From: **Democratic Services Manager**

Purpose: **To consider a procedure for future appointments to the Local Pension Board.**

Recommendation: **The Cambridgeshire Local Pension Board is asked to consider arrangements to address the issue of substitute members, succession planning and the length of service for Board members.**

<i>Officer contact:</i>	
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1. BACKGROUND

- 1.1 John Stokes, Employee Representative on the Local Pension Board, has asked that the Board consider and agree the procedure for future appointments to the Local Pension Board.
- 1.2 The County Council, at its meeting on 24th March 2015, agreed the establishment of a Local Pension Board for Cambridgeshire County Council (the Administering Authority). It further agreed that the Board should comprise six members (three employer representatives and three member representatives).
- 1.3 At the same meeting, it also agreed to appoint at least two County Councillors to the Local Pension Board as employer representatives – Councillors McGuire and Nethsingha, and to delegate authority to the Monitoring Officer (Quentin Baker), in consultation with Group Leaders, to appoint the one employer and employee representatives to the remaining positions on the board, following a set recruitment process.

2. RECRUITMENT OF LOCAL PENSION BOARD REPRESENTATIVES

- 2.1 Following the approval of the Local Pension Board by Full Council, the recruitment and selection of board representatives commenced. The one employer and three member representative positions were subject to an open and transparent recruitment and selection process managed within very limited resources.
- 2.2 The first recruitment process led to the appointment of two employee representatives – Mr Barry O’Sullivan and Mr John Stokes. At its last meeting, the Board was asked to consider how appointments should be made to outstanding employer and employee vacancies. Following discussion, it was resolved to re-advertise the vacant employer and employee representative places on the Local Pension Board, which resulted in the appointment of Mr Ian Dewar (Employer Representative) and Mr David Brooks (Employee Representative).

3. PROCEDURE FOR FUTURE APPOINTMENTS

- 3.1 At the last meeting, it was agreed that a report that addressed substitute members, succession planning and the length of service for Board members be produced for a future meeting.

Length of Service

- 3.2 The Council’s Constitution states that employer and employee representatives are appointed for a period of four years or until qualification for membership ceases.
 - Councillors McGuire and Nethsingha were appointed by Council on 12 May 2015
 - Mr Barry O’Sullivan and Mr John Stokes were appointed from the first meeting of the Board on 16 July 2015
 - Mr David Brooks and Mr Ian Dewar were appointed from the second meeting of the Board on 21 October 2015

Succession Planning

- 3.3 Council agreed to appoint at least two County Councillors to the Local Pension Board as employer representatives. Therefore any changes to be made to these appointments will need to be made by Council.
- 3.4 In considering the appointment of the other representatives, Council was mindful of the Local Government Pension Scheme (LGPS) – Guidance on the Creation and Operation of Local Pension Board in England and Wales. However, it was informed that the Guidance was contradictory in that it states the following:

15.20 An individual's ability to properly represent the interests of employers or members (as appropriate) and channel information back to those persons effectively should also be a key factor in selecting members of the Local Pension Board. This needs to take account of the wide range of membership of the Fund to ensure all employers and members are represented.

A few paragraphs before this, it makes it very clear that the appointment process must be open to all members:

15.14 All employers and members within a Fund must have equal opportunity to be nominated for the role of employer or member representative through an open and transparent process.

- 3.5 Whilst Council felt that the importance of paragraph 15.14 of the Guidance outweighed any other considerations, it was acknowledged that any person to be appointed to the local pension board as a member representative must have the capacity to represent members but it was stressed that any interviewee would need to demonstrate this via an open and transparent interview process.
- 3.6 The appointment of new members to the Local Pension Board will need to be conducted via an open and transparent interview process.
- 3.7 Local Pension Board Guidance states that the ability of members to seek re-appointment for a further term needs to be considered. Given the complexity of the subject matter there is a case for renewing membership over an extended period. One proposal would therefore be for a member to be invited six months before the end of his/her appointment to confirm whether he/she wishes to renew his/her membership.
- 3.8 There is a need to publicise the membership of the Board and what it does. It is proposed to take photographs of members at the next meeting in order to prepare an entry for the LGSS Pensions website which could then be linked to other relevant websites e.g. employer contacts. The contact details for representatives need to be included on the website in case employers and employees wish to contact them about an issue. This site entry could also include a link where employers and employees could express an interest to be a member of the Board; a waiting list could then be prepared. Another possible option is to include this information within the Annual Statement.
- 3.9 The Code of Practice indicates that the Administering Authority should consider providing high quality pre-appointment training to proposed members of the Local Pension Board.

Substitutes

- 3.10 At its meeting on 16 July 2015, the Board questioned whether substitute members of the Board were necessary. It was agreed that substitute members were not required as the Democratic Services Officer, when arranging meetings of the Board, would do his utmost to ensure that a mutually convenient date was proposed for meetings. It was noted that this might involve, subject to the Chairman's approval, cancelling and rearranging meetings. Given the difficulties experienced recruiting to the Board, it might be more appropriate to await any possible feedback from the web entry before deciding to appoint substitutes.

Source Documents	Location
Local Government Pension Scheme (Amendment) (Governance) Regulations 2015	Jo Walton, LGSS Pensions Service Governance and Regulations Manager Tel - 01604 367030 E-mail - jwalton@northamptonshire.gov.uk
Local Pension Board – Agenda and Minutes 16 July 2015&21 October 2015	http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Committee.aspx?committeeID=87

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 20 January 2016

Report by: Head of Pensions

Subject:	October and December 2015 Pension Committee meetings standing reports.
Purpose of the Report	To provide the Pension Fund Board with an executive summary of the standing items discussed at the October and December 2015 Pension Committee meetings.
Recommendations	That the Pension Fund Board note the contents of this report.
Enquiries to:	Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – jwalton@northamptonshire.gov.uk

1. Background

1.1 This report is to bring the Pension Fund Board with an executive summary of the information contained within the standing items on the agenda of the October and December 2015 Pension Committee meetings.

1.2 The standing items were:

- Business Plan Update Report
- Overpayment of Pensions Report
- Employers Admissions and Cessations Report; and
- Governance and Legislation Report.

1.3 The full reports can be found at the links detailed in section 13 of this report.

2. Business Plan Update Report

2.1 Good governance dictates that each Pension Fund should adopt a Business Plan detailing the Fund's objectives and setting out key priorities for the 2015-16 and in some cases, subsequent years.

2.1.1 The Annual Business Plan and Medium Term Strategy 2015-16 to 2017-18 was approved by the Pension Committee at the meeting held on 23 March 2015 and can be found on the LGSS Pensions Service website at the following link;

<http://pensions.cambridgeshire.gov.uk/wp-content/uploads/2015/04/CPF-Annual-Business-Plan-and-Medium-Term-Strategy-2015-16-to-2017-18-for-web.pdf>

- 2.1.2 Updates on the progress made against the Business Plan are presented to the Pensions Committee at every meeting. The updates highlight the progress made on the Fund's activities, its achievement on the key performance indicators and also any other initiatives during each quarter of 2015-16 as laid out in the Business Plan.
- 2.1.3 To summarise, the items within the Business Plan Update presented at the October and December 2015 Pension Committee meetings are as follows;

2.2 Key Fund activities

- 2.2.1 The Annual Business Plan 2015-16 lays out the key activities facing the administration and governance of the Local Government Pension Scheme. The plan relates to the Fund's objectives as well as changes in regulations, in order to ensure that actions taken are clearly defined and for a specific purpose. A number of these activities link directly to the Fund's policies, strategies and contractual services in order to ensure functions are being carried out effectively.
- 2.2.2 The table below shows a selection of the key Fund activities and provides an update on how the Fund has been working towards these actions as at November 2015.

Implementing the 2015 governance changes. Embed the Pensions Regulator Code of Practice – Governance and administration of public service pension schemes.	The Pension Regulator's Code of Practice continues to be embedded throughout the year within existing processes to strengthen controls in such areas of contribution monitoring, skills and knowledge and the establishment of processes through which to report breaches of the law. LGSS Pensions are working with the Fund's Benefit Consultants, Hymans Robertson, to produce a robust Knowledge Management Policy for the Committee to approve later in the financial year.	Ongoing process throughout 2015-16 into 2016-17.
Customer satisfaction. Organisational Workforce Development to facilitate Customer Service Excellence Standard training with a view to achieving this Standard.	The Project Team met in November to complete the customer journey map for the contribution monitoring process. Thereafter, all teams will provide evidence for their agreed Customer Service Excellence criteria. Pre-assessment for the standard to be arranged for the end of the financial year.	Ongoing process throughout 2015-16 into 2016-17.
Customer satisfaction. Carry out customer satisfaction surveys.	During October all members going through key processes (excluding death or divorce) have received a customer satisfaction survey asking for their views and the overall experience provided by the Service. The next stage will be to analyse the results and look for any improvements that can be made to the Service.	Ongoing process throughout 2015-16 into 2016-17.
Source efficiencies to reduce the cost of administering the Fund. Improve employer performance.	The format of the Employer Forums held in November 2015 was updated in light of the Employer Survey results (Appendix 1) to include workshops on specific subjects. The topics included the year end submission process, pensionable pay calculations,	Ongoing process throughout 2015-16.

	pension implications on outsourcing and employer discretions. Positive feedback was received from those attending and as such these areas will be incorporated into the 2016-17 training plan as well as forums in the future.	
Source efficiencies to reduce the cost of administering the Fund. Promote greater use of employer and member self- service facility.	Of the active 39,321 Members across both Funds, 6,547 (16.65%) have registered to use Member Self Service and have logged on for the first time to access their individual pension record. Of the 38,972 deferred members across both Funds, 1,146 (2.94%) have registered for the service.	Throughout 2015-16

2.3 Contribution reporting

2.3.1 The following table shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions either on time or late (after the 19th of the month following deduction) for the period 1 October 2014 to 30 September 2015.

Contributions	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Paid on time (%)	96.9	99.4	99.0	95.7	97.6	91	96.1	94.7	95.1	97.9	97.3	97.7
Paid late (%)	3.1	0.6	1.0	4.3	2.4	9	3.9	5.3	4.9	2.1	2.7	2.3

2.3.2 The following table shows the percentage of employers in the Cambridgeshire Pension Fund who submitted their payment schedules either on time or late for the period 1 April 2015 to 30 September 2015.

Schedules	Apr	May	Jun	Jul	Aug	Sep
Submitted on time (%)	93.2	94.1	95.2	97	94.5	93.5
Submitted late (%)	6.8	5.9	4.8	3	5.5	6.5

2.3.3 In line with the Pension Regulator's Code of Practice, LGSS Pensions Service are working with the employers who are paying over contributions later than the statutory deadline and submitting late returns to ensure compliance each month going forward. Employers that persistently pay over late or submit late schedules may be reported to the Pensions Regulator if the breach is deemed as material.

2.3.4 To give further strength to this issue and to demonstrate to the Pensions Regulator that suitable controls are in place a policy entitled "Payment of Employee and Employer Pension Contributions" was drafted and approved at the Pension Committee meeting of the 17 December 2015. This policy will be discussed in detail as an agenda item at this meeting of the Pension Fund Board.

2.4 Administration and Investment Expenses

2.4.1 Below is how the Fund has performed against the financial forecast detailed in the Annual Business Plan for 2015-16.

2.4.2 The £55,000 variance is related to an under spend on staff costs due to a number of vacancies that were in place at the beginning of the financial year which continue to be recruited to.

2015-16 (as at 31 October 2015)	Original estimate (£'000)	Full year forecast (£'000)	Variance (£'000)
Administration expenses (a+b):	2,193	2,138	-55
a) LGSS Pensions Service	1,491	1,436	-55
b) County Council related overheads	702	702	
Direct Fund – governance related	415	415	
Direct Fund – investment related	250	250	
Total administration, governance and investment expenses	2,858	2,803	-55

2.5 Key Performance Indicators

2.5.1 Below are the results of how the Fund has performed against the Key Performance Indicators set out in the 2015-16 Annual Business Plan in respect of the period July to October 2015.

Pensions Service KPIs

Function/Task – Key Performance Indicators	Indicator	Target	May – July Within Target	Aug – Oct Within Target
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%	99%	94%
Payment of retirement benefits from active employment.	Payment of lump sum within 5 working days of payable date or date of receiving all necessary information if later. First pension paid in the month of leaving or in month of receiving all necessary information if later.	95%	96%	99%
Award dependant benefits.	Issue award within 5 working days of receiving all necessary information.	95%	100%	99%
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%	87%	77%*

Provide transfer-in quote to scheme member.	Letter issued within 10 working days of receipt of all appropriate information.	95%	95%	69%**
Notify the employer and scheme members of changes to the scheme rules.	Within one month of the LGSS Pensions Service being informed of the change.	95%	N/A%	N/A
Issue annual benefit statements to active members as at 31 March each year.	By the following 31 August (pending timely receipt of satisfactory year end data from the scheme employer).	100%	97.8%***	N/A

*	<i>Target missed due to an increased volume of estimate requests. Estimate requests are 80% higher than this time last year. Additional promotion of Member Self-Service is taking place to encourage members to access estimates via this Service.</i>
**	<i>Target missed due to the additional training and support required for new staff deployed to this area to ensure the Service has multi-skilled officers for the long term.</i>
***	<i>The 2.17% of statements not being issued by 31 August 2015 was due to late, inaccurate or non submission of year end data from the employer. All remaining statements were issued by 30 November 2015.</i>

Scheme Employers KPIs

Function/Task –Key Performance Indicators	Indicator	Target	May – Jul Within Target	Aug – Oct Within Target
Arrange for the correct deduction of employee and employer contributions to Pension Fund in a timely manner, providing an associated monthly statement/schedule in a format acceptable to the Administering Authority.	Contributions to be received by individual employers by 19 th calendar day of month after deduction and statement/schedule was received by the same date as payment.	100%	95%	96.3%*
Provide LGSS Pensions Service with accurate year end information in the prescribed format.	Accurate year end information to be provided for all scheme members by 30 April following contribution year end.	100%	N/A	N/A**
Provide LGSS Pensions Service with all necessary information regarding new starters and hours/weeks per year variations in a format acceptable to the Administering Authority.	Accurate information provided within 10 working days of the relevant calendar month end or within 30 days of commencement/change if earlier where employer automatic enrolment duties apply.	95%	66.7%	44.4%***

*	Target missed due to an increased volume of estimate requests. Estimate requests are 80% higher than this time last year. Additional promotion of Member Self-Service is taking place to encourage members to access estimates via this Service.
**	Target missed due to the additional training and support required for new staff deployed to this area to ensure the Service has multi-skilled officers for the long term.
***	The 2.17% of statements not being issued by 31 August 2015 was due to late, inaccurate or non submission of year end data from the employer. All remaining statements were issued by 30 November 2015.

3. Overpayment of Pensions Report

- 3.1 LGSS Pensions Service report to the Pension Committee each quarter on the value of overpayments of pension that have occurred in the previous quarter and the status of the overpayments that are in the process of being recovered or written off. This follows the approval of the “Overpayment of Pension Policy” at the Pension Committee meeting on the 22 October 2015 which can be found at the following link;

<http://pensions.northamptonshire.gov.uk/wp-content/uploads/2015/11/Overpayments-of-Pension-Policy.pdf>

- 3.2 For the period 1 April to 31 July 2015 the following overpayments of pension occurred;

Overpayment Type	Action	Amount	Total
Retirement	Written off	£193.09 (90 cases)	£366.81
	Recovery	£173.72 (1 case)	
	Recovered	£0	
Death of a pensioner/dependent	Written off	£2,410.35 (25 cases)	£7,584.45
	Recovery	£2,722.24 (5 cases)	
	Recovered	£2,451.86 (2 cases)	

- 3.3 For the period 1 August to 31 October 2015 the following overpayments of pension occurred;

Overpayment Type	Action	Amount	Total
Retirement	Written off	£0	£55.42
	Recovery	£0	
	Recovered	£55.42 (2 cases)	
Death of a pensioner/dependent	Written off	£2,563.86 (32 cases)	£6,059.44
	Recovery	£3,495.58 (6 cases)	
	Recovered	£0	

- 3.4 The five overpayments totalling £2,722.24 from the 1 April to 31 July 2015 period remain outstanding and the process of recovery is being managed through the LGSS Debt Management Team who will continue to chase the debt until it is paid or a decision is made to write the amount off. The overpayment of £173.72 resulting from an isolated administration error was recovered in full.
- 3.5 The total overpayment value in the process of recovery therefore stands at £6,217.82 (£2,722.24 and £3,495.58) for the period 1 April to 31 October 2015.

4. Employers Admissions and Cessations Report

- 4.1 The Local Government Pension Scheme Regulations 2013 (as amended) [the Regulations] provide for the admission of a number of different types of body to the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.
- 4.2 The Employers Admissions and Cessations Report provides an update of bodies that are admitted and requests Pension Committee approval to admit admission bodies to the scheme. The report also details the cessation of bodies from the scheme.
- 4.3 At the Pension Committee meeting of the 22 October the following activity occurred;

Pension Committee action:	Scheme Employer
Noted the admission of:	Greater Peterborough University Technical College
Approved the admission of:	Accent Catering Services Ltd
	Alliance in Partnership Ltd
	Churchill Contract Services Ltd
	Smart Kidz Play and Learn Ltd
	Sports Leisure Management Ltd
Noted the cessation of:	Hemingford Grey Parish Council
	Huntingdonshire Citizens Advice Bureau
	Mepal Outdoor Centre
	ABM Catering

- 4.4 At the Pension Committee meeting of the 17 December 2015 the following activity occurred;

Pension Committee action:	Scheme Employer
Noted the admission of:	Action for Children (London Road)
Noted the cessation of:	ABM Catering (Jeavons Wood)
	Cheveley Parish Council

5. Governance and Legislation Report

- 5.1 The Governance and Legislation Report identifies issues concerning the governance of the LGPS and also new, amending and overriding legislation that will have an impact on how the Scheme is managed and on members' benefits. The report also provides details of relevant consultations affecting the LGPS and forthcoming training events.
- 5.2 The following sections summarise the information contained within the Governance and Legislation reports presented to the Pension Committee in October and December 2015.

5.3 Activity of the LGPS Scheme Advisory Board

- 5.3.1 In June 2015 the Scheme Advisory Board released a proposal for assistance in developing options for separation of the host authority (administering authority) from the Pension Fund as part of its 2015-16 work plan.

5.3.2 KPMG was successful in tendering for this work and presented their findings to the Board on 21 September 2015. Although no further detail has officially been released from the Scheme Advisory Board, there was a presentation by KPMG at the Pensions and Lifetime Savings Association (previously known as NAPF) Local Authority Forum on 3 November 2015.

5.3.3 KPMG's presentation can be found at the link below and identifies the potential conflicts that exist in the current governance arrangements, the conflicts that could exist and the associated advantages and disadvantages (ranging from cost of change to accountability) in the three proposed options. The presentation does not go as far as to propose a preferred option.

http://www.plsa.co.uk/Your_recent_event_2/Local_Authority_Forum/~media/Image%20Library/Events/Forums/2015/LA%20Forum/Speaker%20presentations/1410-Urrffa-Rafiq.pdf

5.3.4 The Scheme Advisory Board have since stated (at the recent CIPFA Pensions Network Annual Conference) that asset pooling will have an effect on future governance arrangements and so the matter of separation of the Pension Fund from the host authority will be looked at again once the situation is clear.

5.3.5 The Scheme Advisory Board has undertaken, with support from DCLG, a national exercise to benchmark the performance of all LGPS Funds in England and Wales during late 2015 prior to a mandatory exercise linked to the 2016 triennial valuations.

5.3.6 Collectively the 18 LGPS self-assessment key indicators are designed to help the Scheme Advisory Board to nationally assess the relative health of the funds and scheme as a whole. More importantly, the indicators are intended to be a valuable benchmarking tool for administering authorities, and the newly formed Local Pension Boards, to help with the governance process and continuous improvement.

5.3.7 The Scheme Advisory Board have asked all LGPS funds to provide data on the KPIs using 2014-15 information (and 31 March 2013 for actuarial data unless more recent data is available). By taking part in this exercise it is an opportunity for the Fund to:

- Assess the Fund against the examples of best practice for high performing Funds and the examples of concern for each KPI;
- Inform the Scheme Advisory Board how much effort/time/cost undertaking the exercise consumed compared with that reported by the pilot Funds; and
- Provide general feedback on the KPIs and the examples of best practice and the examples of concern, and to offer suggestions for their further clarification, refinement, and improvement.

5.3.8 The Scheme Advisory Board secretariat will consider the outcome from the 2015 exercise during December 2015. The Scheme Advisory Board will make recommendations to DCLG about the KPIs as part of the 31 March 2016 triennial valuation process. They will then be issued in April 2016 and from December 2016 used as tool to assess and support Funds accordingly.

5.4 The Pensions Regulator

- 5.4.1 In June 2015 the Pensions Regulator published its public service pension schemes Compliance and Enforcement Policy which can be found at the following link;

<http://www.thepensionsregulator.gov.uk/doc-library/strategy-and-policy.aspx#s18493>

- 5.4.2 The policy sets out the Pensions Regulator's approach to compliance and enforcement in relation to public service pension schemes. It describes the Pensions Regulator's expectations for compliance with relevant legal requirements and how they will proceed in cases of non-compliance, including when they may use their enforcement powers.
- 5.4.3 The Policy on Reporting Breaches of the Law to the Pensions Regulator as approved at the 17 December 2015 meeting of the Pension Committee demonstrates the Fund's understanding of its legal duties and to implement effective controls to prevent any non-compliance with the law.
- 5.4.4 LGSS Pensions participated in a Pensions Regulator survey on the governance and administration standards in public service pension schemes.
- 5.4.5 The results of the survey will play a key part in the Pensions Regulator's understanding of how schemes are meeting the legal requirements and the standard to which public service pension schemes are being run. The results of the survey will help the Pensions Regulator focus their efforts on areas where they may most usefully provide more guidance, education and support to raise standards. The Pensions Regulator will also use the information gathered to risk assess schemes for intervention as set out in the Pensions Regulator's Compliance and Enforcement Policy.
- 5.4.6 The Pensions Regulator has now produced a report on the data gathered. Full details of the report will be presented to the Board at a future meeting.

5.5 Legislation

- 5.5.1 The Pension Savings Statements for the Pension Input Period that ended 31 March 2015 were issued by the statutory deadline of 6 October 2015. These statements are issued to those LGPS members that have exceeded the Annual Allowance of £40,000 in that Period by virtue of their pension saving in the Pension Fund. The letter accompanying the statements indicate whether it is clear that an Annual Allowance Charge is due or whether it appears that the member has sufficient Carry Forward from previous years to cover the excess in 2014-15. It is a member's personal responsibility to determine whether a Charge will be due, taking into account all of their Pension Savings not just that in the LGPS, and the amount of that Charge. If the Charge is greater than £2,000 the member may request that the Scheme pays the Charge to HMRC on their behalf, and has a reduction to their pension entitlement applied, based on actuarial tables issued by the DCLG.

5.5.2 On 13 October 2015 it was reported that the September 2015 Consumer Price Index (CPI) was a negative value of -0.1%. The Public Services Pensions Act 2013 requires that where there is a percentage decrease the Treasury Order must be approved by both the House of Commons and the House of Lords for it to become law. As yet, nothing has been confirmed concerning the likelihood, or otherwise, of a negative revaluation percentage being passed in law.

5.6 Department for Communities and Local Government – LGPS Funds England 2014-15 – Statistical Release (October 2015)

5.6.1 The DCLG Statistical Release provides information on LGPS Funds in England that was gathered via the SF3 return that were submitted by all 81 Administering Authorities. The SF3 return collects information on LGPS Funds' income, expenditure, membership, retirements and other activities. It also shows other associated information for the 2014-15 financial year and changes over the previous years.

5.6.2 The Statistical Release including data going back to 2005-06 can be found at the following link;

<https://www.gov.uk/government/statistics/local-government-pension-scheme-funds-for-england-2014-to-2015>

5.7 Consultations

5.7.1 The Government launched their "Public sector exit payment cap consultation" on 31 July 2015 and this ran until 27 August 2015 and sought views on proposals to legislate for a £95,000 cap on the total value of exit payments made to an individual in relation to their exit from a public sector employment.

5.7.2 On 16 September 2015 the Government has published its response to the consultation to confirm that the Government plans to proceed with the introduction of the cap and it is currently making its way through the House of Lords. During the Bill's passage, the LGA will be making efforts to secure meetings with Government officials to discuss how the cap would work in practical terms. The Government's response to the consultation can be found at the following link;

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464367/Public_sector_exit_payments_response.pdf

5.7.3 On 8 July 2015 the Government released a consultation entitled "Strengthening the incentive to save: a consultation on pensions tax relief" to seek views on whether there is a case for reforming pensions tax relief or simply retaining the current system. The consultation closed on 30 September 2015.

5.7.4 In a parliamentary answer on 27 October, the Chancellor of the Exchequer said that further details on the reform will be unveiled in the Budget 2016.

5.7.5 On 20 October 2015 the Government published a consultation on the draft Pensions Act 2014 (Abolition of Contracting-out for Salary Related Pension Schemes) (Consequential Amendments) Order 2016. The consultation invited views on changes to other secondary legislation to take account of the abolition of contracting-out from 6 April 2016.

5.7.6 The consultation ran from 20 October 2015 to 16 November 2015 and can be found at the following link;

<https://www.gov.uk/government/consultations/salary-related-pension-schemes-abolition-of-contracting-out-consequential-amendments>

6. Relevant Pension Fund Objectives

Perspective	Outcome
Governance	<ul style="list-style-type: none">• To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.• Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.
Communications	<ul style="list-style-type: none">• Promote the Scheme as a valuable benefit.• Deliver a clear and consistent message; that is simple, relevant and impactful, uses plain English throughout and engages all levels of stakeholders' understanding.• Provide clear information about the Scheme, including changes to the Scheme, and educate and engage with members so that they can make informed decisions about their benefits.• Seek and review regular feedback from all stakeholders about communication and shape future communications appropriately.• Look for efficiencies in delivering communications including through greater use of technology and partnership working.

Perspective	Outcome
Administration	<ul style="list-style-type: none"> • Provide a high quality, friendly and informative administration service to the Funds' stakeholders. • Administer the Funds in a cost effective and efficient manner utilising technology. • Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds. • Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary. • Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount. • Maintain accurate records and ensure data is protected and has authorised use only. • Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.
Funding and Investment	<ul style="list-style-type: none"> • To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions. • To ensure that sufficient resources are available to meet all liabilities as they fall due. • To maximise the returns from its investments within reasonable risk parameters.

7. Finance & Resources Implications

7.1 Not applicable.

8. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with this report.		

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

Risk	Risk Rating
There are no risks associated with this report.	

9. Communication Implications

9.1 Not applicable.

10. Legal Implications

10.1 Not applicable.

11. Consultation with Key Advisers

11.1 Not applicable.

12. Alternative Options Considered

12.1 Not applicable

13. Background Papers

13.1 Standing reports from 22 October 2015 meeting of the Pension Committee –

<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1070>

13.2 Standing reports from 17 December 2015 meeting of the Pension Committee –

<http://www2.cambridgeshire.gov.uk/CommitteeMinutes/Committees/Meeting.aspx?meetingID=1090>

14. Appendices

14.1 Appendix 1 –Employer Survey Results 2015

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	Not applicable
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?	Not applicable
Has this report been cleared by Head of Pensions?	Mark Whitby – 04/01/2016
Has this report been cleared by Legal Services?	Not applicable

Appendix 2

LGSS Pensions Employer Survey - 2014/15

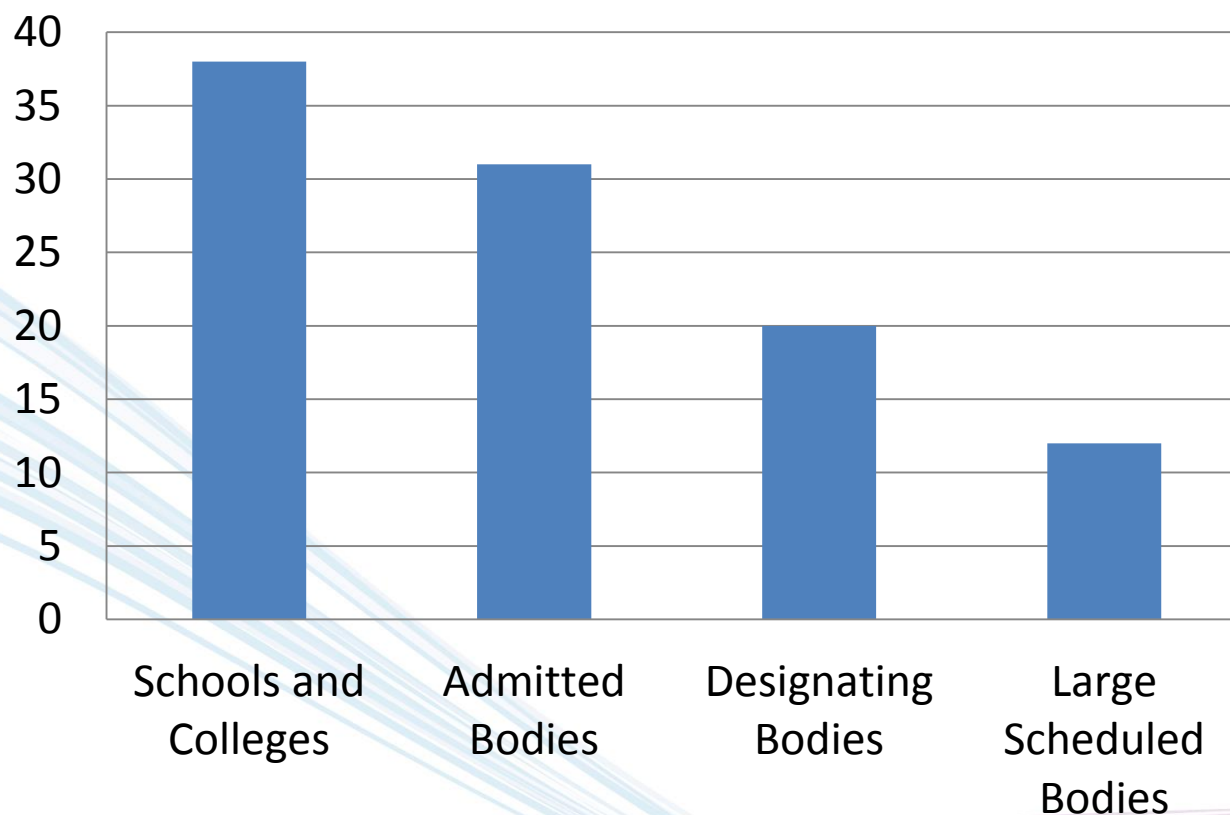
Richard Sultana
Employer Liaison & Communications Officer

The Survey

- 621 invitations sent out to complete the survey
- Our Employers asked to comment on our performance in the following areas:
 - Responding to communication from employers
 - Speed and quality
 - Our communication with employers
 - Bulletins
 - Employer Forums
 - Website
 - Training
 - Awareness of Governance

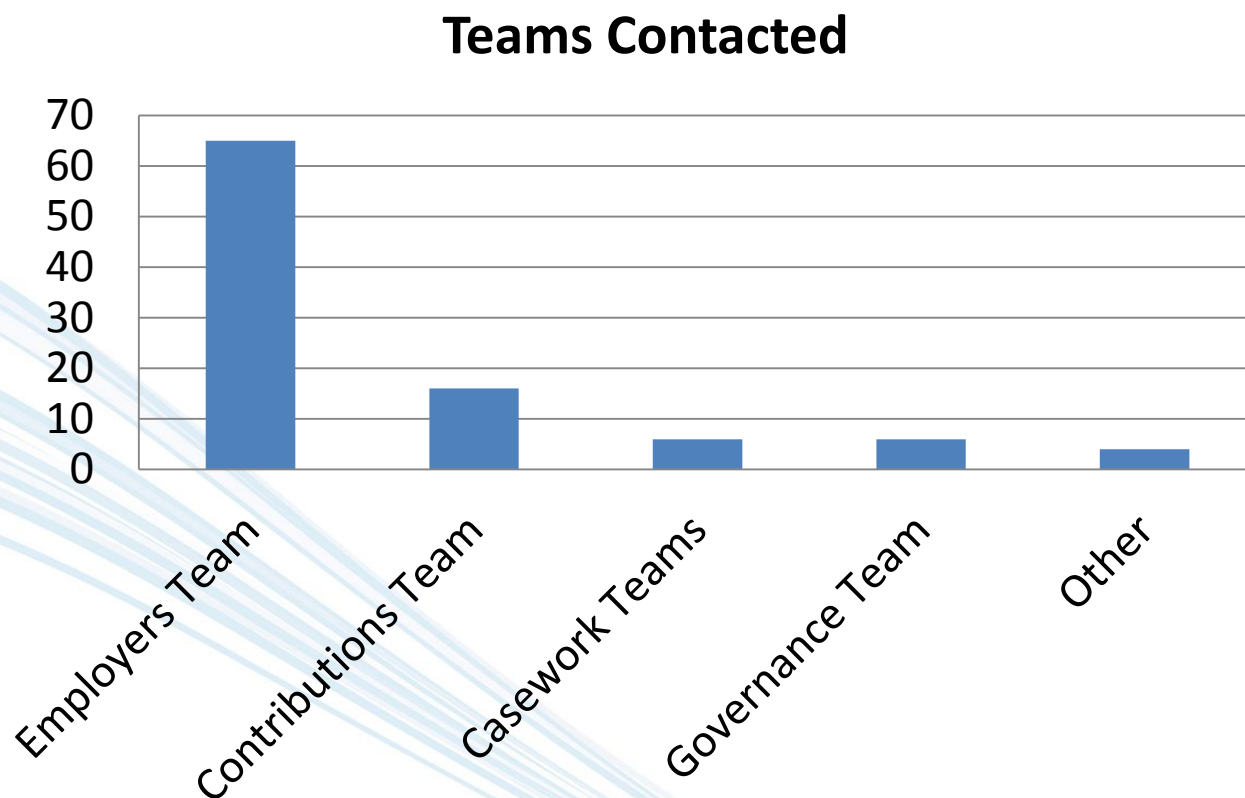
Responses

- 101 responses received

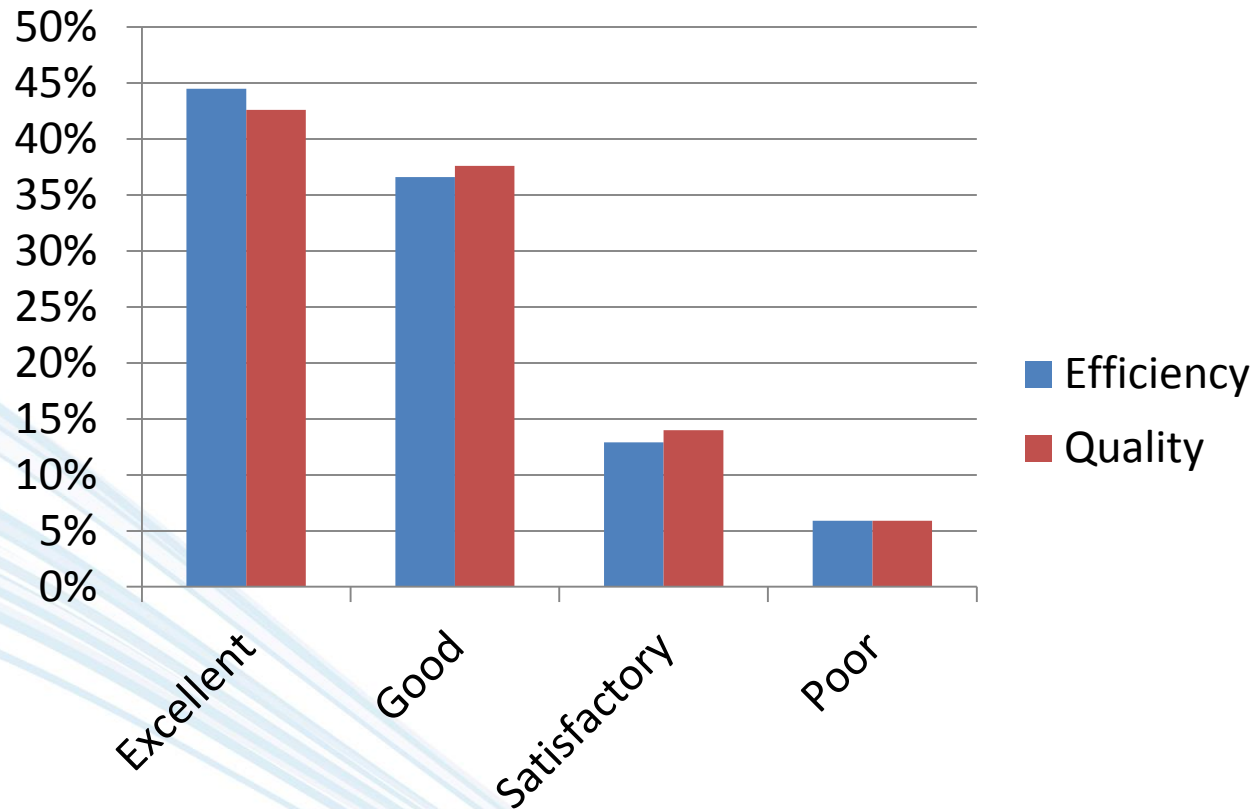


Communicating with LGSS

- 86% of respondents had contacted us in the last 12 months



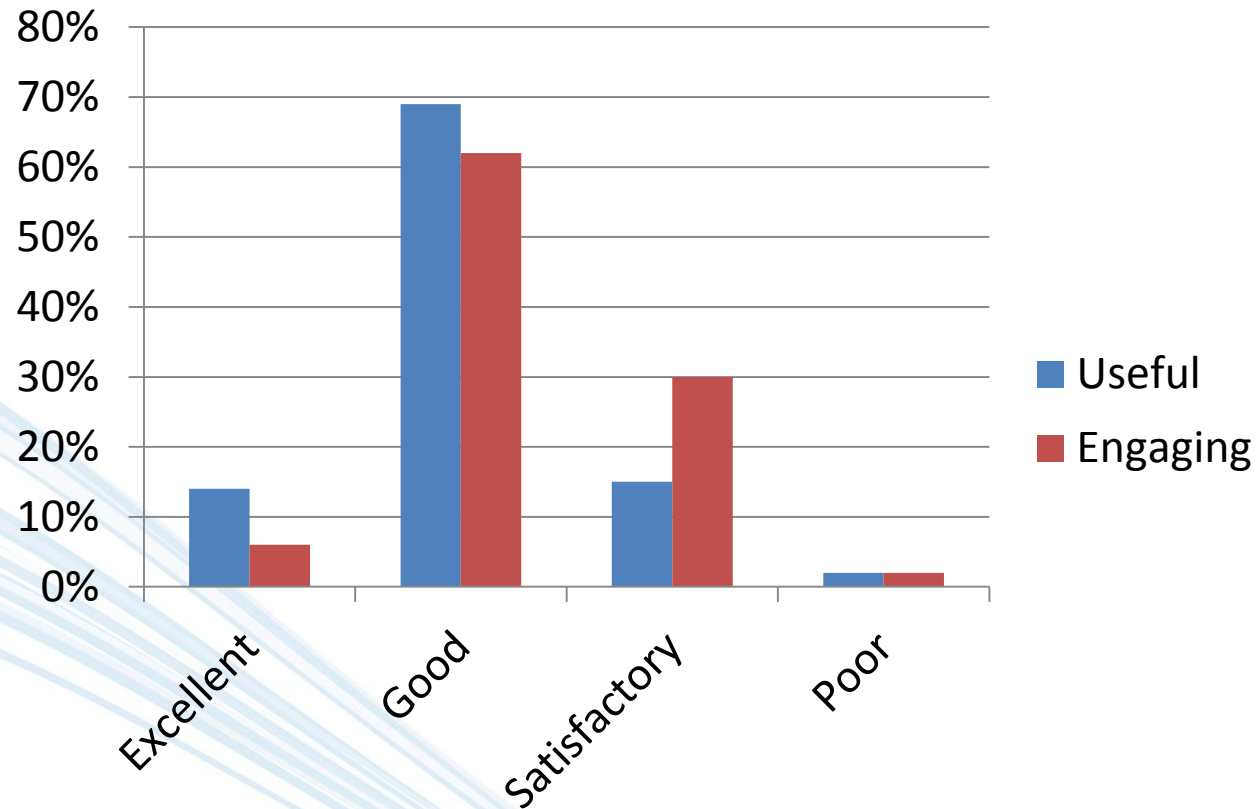
Efficiency and Quality of responses to employers



Employer Bulletins

- 85.5% of respondents had read at least one of our bulletins released in the last 12 months
- 14.5% had not read any of the bulletins
 - Did not receive them or too busy
- We asked for feedback on the quality of each bulletin in terms of usefulness and how engaging they were.

Employer Bulletins

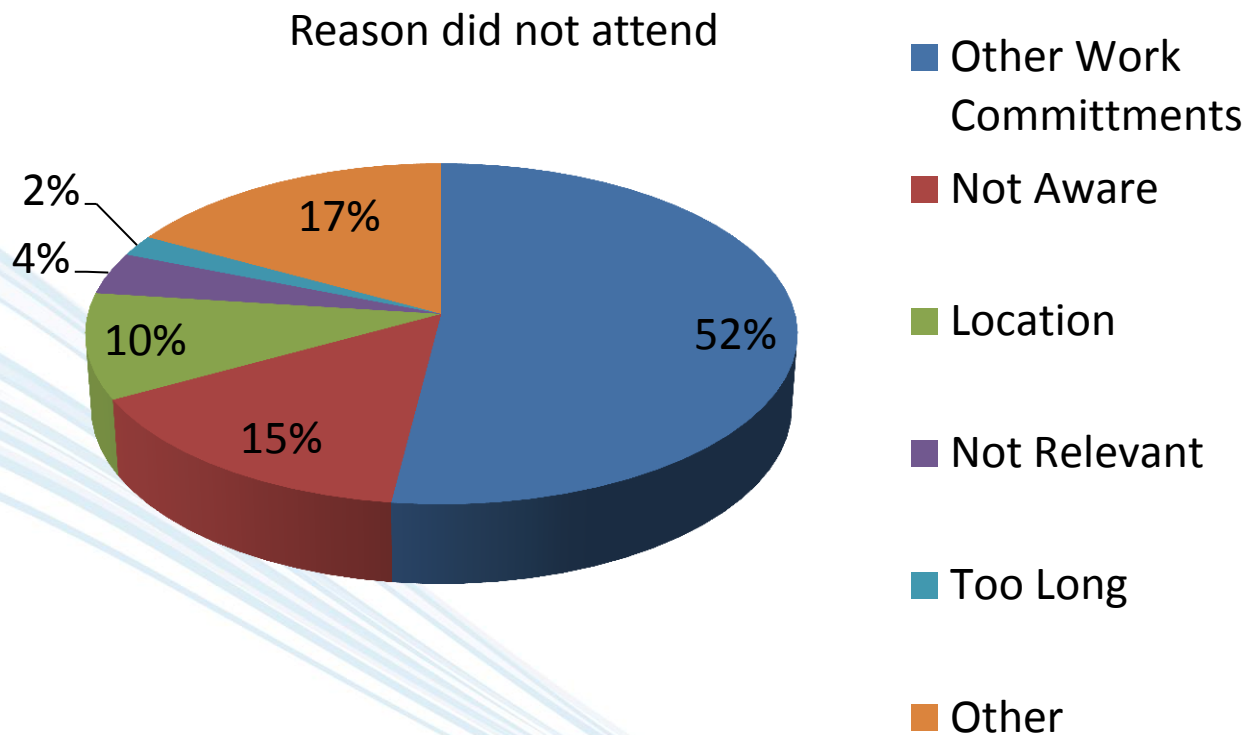


Employer Bulletins - Feedback

- Usefulness – 7 comments received
 - Too technical
 - Too much jargon
- Engaging – 17 comments received
 - Pensions is not an engaging subject
 - Too wordy
 - Too much jargon
 - Complex subject matter
 - Prefer paper or PDF not link website

Employer Forums

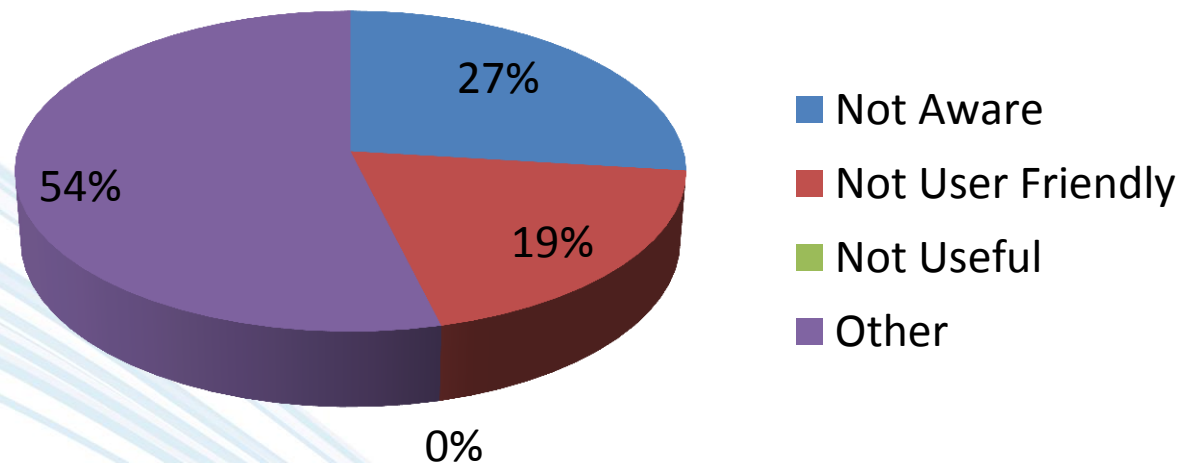
- Only 31.4% of respondents had attended the employer forum last year



Website

- 54% of respondents had used the website in the last 12 months

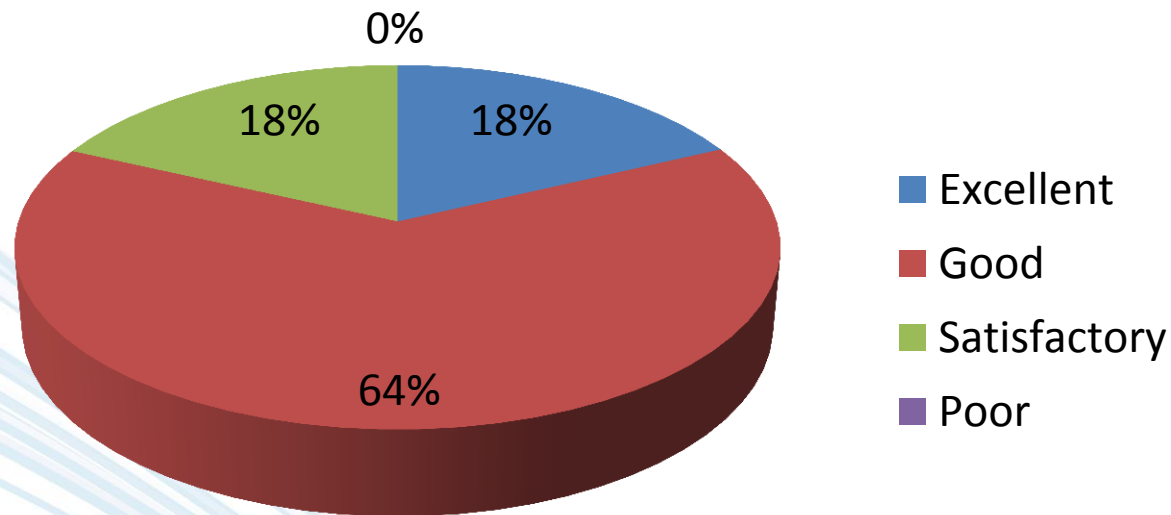
Reasons for not using the website



Website - Content

- 82% of respondents found the content on the website to be excellent or good

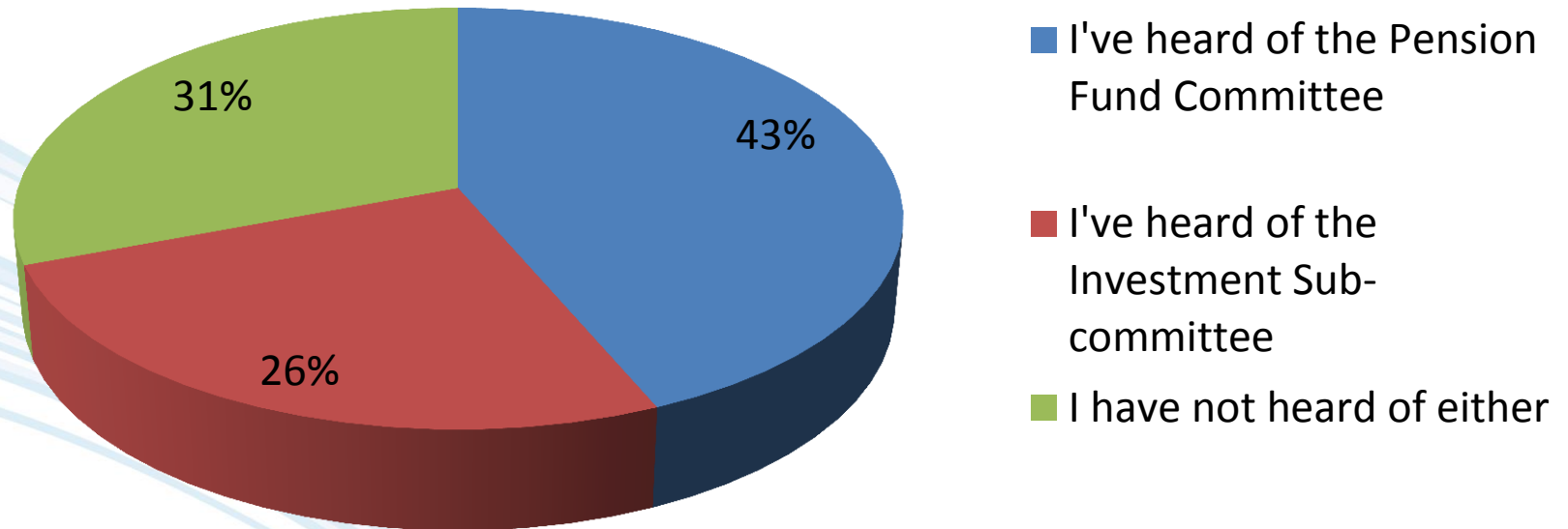
Content on website



Training

- 50% of respondents had attended employer training in the last 12 months
- Of these, 93% said the training met their needs
- Awareness of training is low
- Employer Responsibilities and Pensionable Pay most popular topics
- Step-by-step guides, presentations & workshops

Awareness of Governance



- 74% of respondents have not read key governance reports

What do we intend to do with the results

- Inform employers of the outcome
 - Bulletin to go out shortly to employers outlining results
 - Short presentation in employer forums in October
- Feedback to LGSS
- Act on their feedback as much as possible
 - Website will be changing with dedicated Member and Employer sites.
 - Member site to be managed by Heywoods
 - Forums to be more interactive
 - Summary webinars
 - Workshops
 - Review the current format and timing of bulletins
 - Separate Pensionable Pay workshops
 - Employer induction programme

Thank you, are there any
questions?

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 20 January 2016

Report by: Head of Pensions

Subject:	Policy for Admission Bodies, Scheme Employers and Bulk Transfer
Purpose of the Report	To present the Policy for Admission Bodies, Scheme Employers and Bulk Transfer to the Pension Fund Board
Recommendations	The Pension Fund Board are asked to review the Policy and make recommendations to the Pension Committee where appropriate.
Enquiries to:	Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – jwalton@northamptonshire.gov.uk

1. Background

- 1.1 The Admission Bodies, Scheme Employers and Bulk Transfer Policy was reviewed and approved by the Pension Committee at the meeting of the 22 October 2015. The policy was brought to the Pension Committee for approval following an exercise to streamline the policy and amend a number of technical terms following the introduction of The Local Government Pension Scheme Regulations 2013 (as amended).
- 1.2 Prior to the review by the Pension Committee in October 2015, the policy was last reviewed and approved in 2012.
- 1.3 The Local Government Pension Scheme Regulations 2013 (as amended) ("The Regulations") provides for a variety of different categories of body that have access to the LGPS as a pensions saving vehicle for their employees. The right of access varies and may be as an automatic right, at the discretion of the administering authority or contingent on a body agreeing admission terms.
- 1.4 The Regulations also set out broadly the manner in which an administering authority can manage the financial risks associated with bodies in the Pension Fund and the treatment of bodies withdrawing from the Fund.
- 1.5 The Regulations set out certain rules governing the treatment of bulk transfers, including when a transfer should be treated as bulk transfer as opposed to an individual transfer.

- 1.6 In formulating policies in these areas it is also important to consider the links with the Funding Strategy Statement and the guidance and regulatory framework beyond the LGPS, such as Fair Deal, the Office of the Deputy Prime Minister's Code of Practice on Workforce Matters and the Best Value Authorities Staff Transfers (Pensions) Direction 2007.
- 1.7 The Admission Bodies, Scheme Employers and Bulk Transfer Policy is attached in Appendix 1 which the Pension Fund Board is asked to review and provide any comments for the Pension Committee to consider.

2. Relevant Pension Fund Objectives

Perspective	Outcome
Governance	<ul style="list-style-type: none"> To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies. Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.
Communications	<ul style="list-style-type: none"> Promote the Scheme as a valuable benefit. Deliver a clear and consistent message; that is simple, relevant and impactful, uses plain English throughout and engages all levels of stakeholders' understanding. Provide clear information about the Scheme, including changes to the Scheme, and educate and engage with members so that they can make informed decisions about their benefits. Seek and review regular feedback from all stakeholders about communication and shape future communications appropriately. Look for efficiencies in delivering communications including through greater use of technology and partnership working.
Funding and Investment	<ul style="list-style-type: none"> To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions. To ensure that sufficient resources are available to meet all liabilities as they fall due. To maximise the returns from its investments within reasonable risk parameters.

Perspective	Outcome
Administration	<ul style="list-style-type: none"> • Provide a high quality, friendly and informative administration service to the Funds' stakeholders. • Administer the Funds in a cost effective and efficient manner utilising technology. • Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds. • Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary. • Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount. • Maintain accurate records and ensure data is protected and has authorised use only. • Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.

3. Finance & Resources Implications

3.1 Not applicable.

4. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with this report.		

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

Risk	Risk Rating
There are no risks associated with this report.	

5. Communication Implications

5.1 Not applicable.

6. Legal Implications

6.1 Not applicable.

7. Consultation with Key Advisers

7.1 Not applicable.

8. Alternative Options Considered

8.1 Not applicable

9. Background Papers

9.1 Not applicable

10. Appendices

10.1 Appendix 1 – Policy for Admission Bodies, Scheme Employers and Bulk Transfer

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	Not applicable
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?	Not applicable
Has this report been cleared by Head of Pensions?	Mark Whitby – 04/01/2016
Has this report been cleared by Legal Services?	Not applicable

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 20 January 2016

Report by: Head of Pensions

Subject:	Payment of Employee and Employer Pension Contributions Policy
Purpose of the Report	To present the Payment of Employee and Employer Pension Contributions Policy to the Pension Fund Board
Recommendations	The Pension Fund Board are asked to review the Policy and make recommendations to the Pension Committee where appropriate.
Enquiries to:	Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – jwalton@northamptonshire.gov.uk

1. Background

- 1.1 In order to ensure that Scheme Employers are fully aware of their legal responsibilities with regards to the payment of employee and employer contributions, as detailed in legislation and the Pensions Regulator's Code of Practice number 14 (Governance and administration of public service pension schemes) a "Payment of Employee and Employer Pension Contributions Policy" was drafted and approved by the Pension Committee on 17 December 2015.
- 1.2 The policy ensures that both Scheme Employers and Officers of the Fund have a clear process for dealing with non compliance and provide further strength and evidence to the Pensions Regulator that as a Fund, all the relevant controls are in place.
- 1.3 The Payment of Employee and Employer Pension Contributions Policy is attached in Appendix 1 which the Pension Fund Board is asked to review and provide any comments for the Pension Committee to consider.

2. Legal Requirements

- 2.1 Regulation 67 and 69 of The Local Government Pension Scheme Regulations 2013 states that payment of both employee and employer contributions along with a schedule as specified by the Administering Authority must be submitted by the 19th day of the month following deduction as per overriding legislation, Regulation 49 of the Pensions Act 1995

- 2.2 Regulation 5 of The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 provides that the Administering Authority keep accurate records of transactions which emphasises the requirement for employers to submit accurate and timely schedules along with their payments.
- 2.3 The Pensions Regulator also enforces the legal obligation of employers to pay over pension contributions and provide a schedule as detailed in the Pensions Regulator's Code of Practice (14): Governance and Administration of public service pension schemes.

3. Monitoring and Process

- 3.1 A late payment (including contributions expressed as a monetary amount, referred to usually as a cash deficit payment) is constituted by either late submission of payment schedule and/or late payment of contributions to the Fund. Both schedule and payment is due to the Fund by the 19th of the month following the month of deduction. As default, monetary deficit payments should be paid on a monthly basis. Any arrangement to pay in other frequencies must be approved by the Head of Pensions.
- 3.2 The Policy sets out the process that should be enforced by Officers in order to seek resolution and ensure that future payments are made on time through the consequences of persistent late payments.
- 3.3 If a Scheme Employer submits a schedule and/or payment late for 3 consecutive months or 3 months in a rolling 6 month period, the Fund will reserve the right to charge an Administration Fee as well as charge interest. The Policy is designed to make Scheme Employers aware of this.
- 3.4 The Policy also outlines to Scheme Employers that appropriate action will be taken against them in the event of persistent reoccurrence.

4. Relevant Pension Fund Objectives

Perspective	Outcome
Funding and Investment	<ul style="list-style-type: none"> • To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions. • To ensure that sufficient resources are available to meet all liabilities as they fall due. • To maximise the returns from its investments within reasonable risk parameters.
Governance	<ul style="list-style-type: none"> • To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies. • Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.

Perspective	Outcome
Communications	<ul style="list-style-type: none"> Promote the Scheme as a valuable benefit. Deliver a clear and consistent message; that is simple, relevant and impactful, uses plain English throughout and engages all levels of stakeholders' understanding. Provide clear information about the Scheme, including changes to the Scheme, and educate and engage with members so that they can make informed decisions about their benefits. Seek and review regular feedback from all stakeholders about communication and shape future communications appropriately. Look for efficiencies in delivering communications including through greater use of technology and partnership working.
Administration	<ul style="list-style-type: none"> Provide a high quality, friendly and informative administration service to the Funds' stakeholders. Administer the Funds in a cost effective and efficient manner utilising technology. Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds. Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary. Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount. Maintain accurate records and ensure data is protected and has authorised use only. Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.

5. Finance & Resources Implications

5.1 Not applicable.

6. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with this report.		

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

Risk	Risk Rating
There are no risks associated with this report.	

7. Communication Implications

7.1 Not applicable.

8. Legal Implications

8.1 Not applicable.

9. Consultation with Key Advisers

9.1 Not applicable.

10. Alternative Options Considered

10.1 Not applicable

11. Background Papers

11.1 Not applicable

12. Appendices

12.1 Payment of Employee and Employer Pension Contributions Policy 2015

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	Not applicable
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?	Not applicable
Has this report been cleared by Head of Pensions?	Mark Whitby – 04/01/2016
Has this report been cleared by Legal Services?	Not applicable

CAMBRIDGESHIRE PENSION FUND



Pension Fund Board

Date: 20 January 2016

Report by: Head of Pensions

Subject:	Statement of Investment Principles
Purpose of the Report	To present the Statement of Investment Principles July 2015 to the Pension Fund Board
Recommendations	The Pension Fund Board are asked to review the Statement of Investment Principles July 2015 and make recommendations to the Pension Committee where appropriate.
Enquiries to:	Jo Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – jwalton@northamptonshire.gov.uk

1. Background

- 1.1 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 requires every administering authority to prepare, maintain and publish a written statement of the principles governing its decisions about the investment of Fund money, the Statement of Investment Principles (SIP).
- 1.2 The Regulations also prescribe the policies that need to be disclosed in the SIP and the obligation to review, and if necessary, revise, the SIP from time to time and within six months of any material change in the policies.
- 1.3 The SIP is also required to be published in full in the Fund's Annual Report and Statement of Accounts under the guidance published by CIPFA for the purposes of the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme Regulations 2013.

2. Review of the Statement of Investment Principles

- 2.1 The SIP has been reviewed twice during 2015.
- 2.2 The SIP was first reviewed, updated and approved by the Pension Committee (previously referred to as the Pension Board) on 19 March 2015 following a recommendation for approval made by the Investment Sub-Committee on the 19 February 2015.

2.3 The amendments made to the previous version of the SIP which was effective from July 2013 were as follows;

Section amended	Detail
Section D: Balance between different types of investment	The inclusion of the acceptable variation of tolerances around the strategic asset allocation for each class of asset (as required by auditors).
Section E: Responsible Investment Policy	Reflects recent recommendations by the Law Commission on the duties of pension funds' trustees when setting investment strategies with regard to Responsible Investment. This replaces previous language referring to (unspecified) legal rulings.
Appendix A: Fund Managers and Mandates (February 2015)	An additional appendix that reports the revised Investment Strategy agreed at the Pension Fund Board (as it was then known) in December 2014.
Appendix C: Key risks and controls	This section has been rationalised to remove risks pertinent to liabilities or the scheme as a whole and not investments.
Appendix E: Compliance with the Myners Principles	New appendix added in line with recent guidance.

2.4 The SIP was reviewed, updated and approved by the Pension Committee again on 30 July 2015 incorporating the following changes;

Section amended	Detail
Appendix A: Fund Managers and Mandates (July 2015)	Replaced Newton with JO Hambro to reflect the termination of Newton as an investment manager of the Fund by the Investment Sub-Committee. The allocation and benchmark (indices) were also amended to reflect the change in investment manager.
	Replaced Amundi with Dodge & Cox to reflect the termination of Amundi as an investment manager of the Fund by the Investment Sub-Committee. The allocation and benchmark (indices) were also amended to reflect the change in investment manager.
	Replaced Schroders regional allocation with Dodge & Cox to reflect the termination of the global aspect of the multi-asset mandate with Schroders. The allocation and benchmarking (indices) were also amended to reflect the change in investment manager.
Appendix B: Performance Targets	This section was revised to reflect the changes investment managers. JO Hambro replaced Newton and Dodge & Cox replaced Amundi in this section.

2.5 At the Pension Committee meeting of 30 July 2015, a recommendation was put forward and agreed that the Head of Pensions may, in future, agree minor administrative changes to the Statement of Investment Principles as and when required and notify the Pension Committee of the changes made.

- 2.6 The Statement of Investment Principles July 2015 is attached in Appendix 1 which the Pension Fund Board is asked to review and provide any comments for the Pension Committee to consider.

3. Relevant Pension Fund Objectives

Perspective	Outcome
Governance	<ul style="list-style-type: none">To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.
Funding and Investment	<ul style="list-style-type: none">To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions.To ensure that sufficient resources are available to meet all liabilities as they fall due.To maximise the returns from its investments within reasonable risk parameters.

4. Finance & Resources Implications

- 4.1 Not applicable.

5. Risk Implications

- a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
There are no risks associated with this report.		

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

Risk	Risk Rating
There are no risks associated with this report.	

6. Communication Implications

- 6.1 Not applicable.

7. Legal Implications

- 7.1 Not applicable.

8. Consultation with Key Advisers

8.1 Not applicable.

9. Alternative Options Considered

9.1 Not applicable

10. Background Papers

10.1 Not applicable

11. Appendices

11.1 Appendix 1 – Statement of Investment Principles – July 2015

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	Not applicable
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?	Not applicable
Has this report been cleared by Head of Pensions?	Mark Whitby – 04/01/2016
Has this report been cleared by Legal Services?	Not applicable

CAMBRIDGESHIRE LOCAL PENSION FUND BOARD AGENDA PLAN.

To: Cambridgeshire Local Pension Fund Board

Meeting Date: 20th January 2016

From: Democratic Services

Electoral division(s): All

Forward Plan ref: Not applicable **Key decision:** No

Purpose: To present the agenda plan for the Cambridgeshire Local Pension Fund Board;

Recommendation: It is recommended that the Cambridgeshire Local Pension Fund Board:-

1. Notes the agenda plan at Appendix A.

<i>Officer contact:</i>	
Name:	Daniel Snowdon
Post:	Democratic Services Officer
Email:	daniel.snowdon@cambridgeshire.gov.uk
Tel:	01223 699177

1. AGENDA PLAN

- 1.1.** The Cambridgeshire Local Pension Fund Board Agenda Plan is attached as Appendix A.

2. ALIGNMENT WITH CORPORATE PRIORITIES

2.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

2.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

2.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

3. SIGNIFICANT IMPLICATIONS

- 3.1** There are no significant implications within these categories:

- Resource Implications
- Statutory, Risk and Legal Implications
- Equality and Diversity Implications
- Engagement and Consultation Implications
- Localism and Local Member Involvement
- Public Health Implications

Source Documents	Location
None	<i>N/A</i>

CAMBRIDGESHIRE LOCAL PENSION BOARD AGENDA PLAN



Cambridgeshire
County Council

Notes

Items shown in bold have or will be considered by the Pension Committee.

Draft reports are due with the Democratic Services Officer by 10.00 a.m. seven clear working days before the meeting.
The agenda dispatch date is five clear working days before the meeting.

Committee date	Agenda item	Lead officer	Deadline for draft reports	Agenda despatch date
21/10/15 2.00p.m.	1. Minutes – 16/07/15	D Snowdon	12/10/15	14/10/15
	2. Terms of Reference and Standing Orders	M Rowe		
	3. Code of Conduct	M Rowe		
	4. Administration Report (<i>includes Employers, Admissions and Cessations Report, Business Plan Update and Governance and Legislation Report</i>)	J Walton		
	5. Annual Report and Statement of Accounts	J Walton		
	6. Statement of Investment Principles	J Walton		
	7. WM State Street Global Services Annual Peer Review	J Walton		
	8. Reporting Breaches of the Law to the Pension's Regulator Policy	J Walton		
	9. Knowledge and Understanding Policy Framework	D Snowdon/ M Oakensen		

Committee date	Agenda item	Lead officer	Deadline for draft reports	Agenda despatch date
	10. Annual Review of the Fund's Investment Managers [Confidential Item]	J Walton		
	11. Custodian Monitoring Report [Confidential Item]	J Walton		
	12. Agenda Plan	D Snowdon		
20/01/16 2.00p.m.	1. Minutes – 21/10/15	D Snowdon	08/01/16	12/01/16
	2. Executive Summary of Decembers Standing Items (<i>includes Employers, Admissions and Cessations Report, Business Plan Update and Governance and Legislation Report</i>)	J Walton		
	3. Procedure For Future Appointments to The Local Pensions Board,	M.Rowe		
	4. The SIP	M Oakensen/J Walton		
	5. Bulk Transfer Policy	M Oakensen/J Walton		
	6. Late Payment Policy	M Oakensen/J Walton		
	7. Risk Strategy	J Walton		
	8. Training Policy	J Walton		
	9. Breaches Procedure	J Walton		
	10. Regulator's Code of Practice	J Walton		
28/04/16 2.00p.m.	1. Minutes – 20/01/16	D Snowdon	18/04/16	20/04/16

Committee date	Agenda item	Lead officer	Deadline for draft reports	Agenda despatch date
	2. Administration Report (<i>includes Employers, Admissions and Cessations Report, Business Plan Update and Governance and Legislation Report</i>)	J Walton		
	1. Minutes – 28/04/16	D Snowdon		
	2. Administration Report (<i>includes Employers, Admissions and Cessations Report, Business Plan Update and Governance and Legislation Report</i>)	J Walton		

