

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Committee

Date: 29 March 2018

Report by: Head of Pensions

Subject:	Pension Fund Annual Business Plan and Medium-Term Strategy 2018/19 to 2020/21
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 2018/19 to 2020/21
Recommendations	The Committee are asked to approve the attached Business Plan and Medium-Term Strategy
Enquiries to:	Mark Whitby – Head of Pensions E-mail - mwhitby@northamptonshire.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 Cambridgeshire County Council 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 objectives;
 - 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 proposed Business Plan and Medium-Term Strategy for the Cambridgeshire Pension Fund for the period 2018/19 to 2020/21 is in **Appendix 1**.

2. The Business Plan and Medium-Term Strategy

- 2.1 The format of the Business Plan and Medium-Term Strategy has been revised for 2018/19 to reflect best practice. As such, the document concentrates on activities that are not considered business as usual, identifying key milestones and budget and resource requirements. It is split into the following core areas:
- Service delivery
 - Governance and compliance
 - Communications, systems and employer management
 - Operations

- Investments, accounting and cash flow management

2.2 Progress made against the Business Plan will continue to be reported to the Committee at each meeting. Where progress against the Business Plan has fallen behind schedule further detail will be provided.

2.3 Within the Service Delivery section of the Business Plan, the Committee are asked to agree to an additional four posts across the Pensions Service to support the combined administration to the Cambridgeshire and Northamptonshire Pension Funds. The purpose of these four posts is as follows:

Data Quality Analyst	To have responsibility for ensuring the data quality of the Fund and to oversee large scale data projects, including reconciliations/rectification exercises following an increased industry and legislative focus in this area. Aspects of this role, including management of staff undertaking reconciliations, rests at present with the Governance & Regulations Manager, an unsustainable position.
Pensions Officer	To support the Data Quality Analyst and also specifically to process payroll and contracting out rectification casework that may otherwise require outsourcing. This activity represents an additional pressure on the Fund.
Communications Officer	Dedicated post to be responsible for all Fund communications. This will enable staff in the Employers Team, who currently lead on communications, to focus on scheme employer engagement, which is a key component of some of the activities set out in the business plan
Senior Accounting Technician	This post is to cope with new or increased demand. To support the Fund's Officer input into delivering the ACCESS project over the medium term and to support local Fund investment requirements, such as increasing allocations to alternatives and the local direct investment initiative.

2.4 Resource costs for each post are identified in the Business Plan and would be shared between the Cambridgeshire and Northamptonshire Funds.

2.5 The Pensions Committee is asked to note confidential **Appendix 2** that sets out the results of a costing exercise to establish the efficiency of LGSS Pensions over the period 2014/15 to 2017/18.

2.6 A service level agreement between LGSS and the Funds was put in place in 2014/15 which included a mechanism allowing for the sharing of efficiency savings between the parties in the ratio one third (LGSS):two thirds (Funds). A £75k transaction in connection with this arrangement is included in Administration Expenses.

3. Finance & Resources Implications

- 3.1 Performance against the financial estimates in the Business Plan will be presented to the Pension Committee each meeting.

4. Risk Implications

- a) Risk(s) associated with the proposal

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

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

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

5. Communication Implications

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

6. Legal Implications

- 6.1 Not applicable.

7. Consultation with Key Advisors

- 7.1 The Fund's current and future key advisers have been consulted in the Business Plan and Medium-Term Strategy where necessary, including Hymans Robertson and Aon Hewitt.

8. Alternative Options Considered

- 8.1 The alternative of not having a Business Plan and Medium-Term Strategy is not considered an acceptable alternative for the Fund.

9. Background Papers

- 9.1 Not applicable.

10. Appendices

- 10.1 Appendix 1 Annual Business Plan and Medium-Term Strategy 2018/19 to 2020/21
- 10.2 Appendix 2 Memorandum: Efficiency improvements in the delivery of pension services (exempt)

Checklist of Key Approvals	
Is this decision included in the Business Plan?	N/A
Will further decisions be required? If so, please outline the timetable here	No
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Head of Pensions?	Mark Whitby – 9 March 2018
Has this report been cleared by the Section 151 Officer?	Sent to Sarah Heywood – 9 March 2018
Has the Chairman of the Pension Committee been consulted?	Councillor Rogers – 21 March 2018
Has this report been cleared by Legal Services?	Quentin Baker – 14 March 2018