

CAMBRIDGESHIREPENSION FUND

Pension Fund Board (PFB)

Agenda Item: 3

Minutes-Action log from PFB meeting

This log captures the actions from the Pension Fund Board of the 8th April 2014 together with any carried forward items from previous meetings and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 13/06/2014.

Minutes from 8 th April 2014					
Item No.	Item	Action to be taken by	Action	Comments	Whether Action now Completed
66(a)	Reimbursing Board Members – Additional Members Allowances to compensate for the increased workload and cover attendance at meetings, training, etc.	Paul Tysoe	A report would come back to the Board – see item 71.	<p>Karen McWilliam (Aon Hewitt) has produced a paper regarding member allowances. However, this is an issue for the Independent Remuneration Panel and following strong guidance from Democratic Services the report is held pending further advice.</p> <p>It is intended to incorporate the subject into the new governance regulations the draft of which are expected in mid-June 2015.</p> <p>A report to the Board on the new governance arrangements will be presented to this meeting as a separate agenda item.</p>	This particular action status is completed as it has been moved into the new governance Arrangements initiative.

66(b)	Non-Executive Director (NED) Role – workload implications and payment of allowances to be comparable to those of other small banks	Tolu Osekita	An update position would be provided at the next ISC Committee meeting.	It had been difficult to progress the proposal as those private banks approached had been unwilling to divulge details of individual allowances paid to their Non Executive Directors (NEDS).	Completed
69	DRAFT CONFIDENTIAL MINUTES from the Pension Fund Board Investment Sub-Committee meeting held on 12TH December 2013	Tolu Osekita	An update position would be provided at the next ISC Committee meeting.	With reference to the Property Fund and the explanation that withdrawal would be expensive, however there was the possibility of moving underlying funds. The Chairman requested that this should be examined as one of the options going forward.	Completed
70(1)	2013 VALUATION UPDATE	Paul Tysoe	Geoff Nathan to arrange for the final 2013 Valuation to be circulated to the Board following the meeting.	The Final Valuation report has been circulated to all Board Members. [Date 7 th April 2014]	Completed
70(2)	2013 VALUATION UPDATE Page 13 - There was a request for an explanation in the table titled 'Valuation Date' on Future Service Rates on why expenses had increased from 0.5% to 0.7 % over the three year period.	Paul Tysoe	While it was explained that the three years up to 2010 had not been anywhere near as busy as from 2010-2013. More detail was required to explain the increase.	[See Geoff Nathan response overleaf]	Completed [See overleaf]

70(3)	<p>2013 VALUATION UPDATE</p> <p>a) Page 24 - Death in Service tables – an explanation was requested on the basis of the assumptions made on the reason why at age 35, the death rate for male officers was the same as for female officers, when for all other ages in the table the death rates were higher for men compared with women at all other times.</p> <p>b) Why the expense loading has increased from 0.5% at the 2010 valuation to 0.7% at the 2013 valuation.</p>	Paul Tysoe	Further investigation by Geoff Nathan the Fund Actuary.	<p>Officer Response below.</p> <p>The mortality tables we use are based on standard tables adjusted to allow for experience. At early ages the rates for males and females are very similar and only start to diverge significantly at around age 45. It should be noted that the number of deaths at the younger ages (below 40) are extremely low. The rates at 35 being similar for male and females is a reflection of the very low number of deaths and the very similar mortality rates at these low ages. Given we are looking at rates of 0.4 per 1000 lives, the impact of mortality at these ages does not have a significant impact on any calculations.</p> <p>When assessing this rate we look at the expenses and total pensionable payroll over the 3 year period immediately prior to the valuation date. Not surprisingly, given the increased workload combined with a significant increase in employer issues (e.g. academy</p>	Completed
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72	SERVICE LEVEL AGREEMENT BETWEEN PENSION BOARD AND LGSS	Paul Tysoe	Task and Finish Group set up from both funds and Officers with meetings set up starting 28/5/2014	First Task and Finish Group met on Wednesday 28/05/2014 with Cllr Ashcroft and Cllr Leeke (CCC) and A Langford and A Bruce (NCC). A Second meeting was held on 12 th June 2014 and as a result there is a separate report on this agenda. (Item 8)	Completed
77	ASSET ALLOCATION STRATEGY Slide 7 looking at the nearer term cash flow for the Fund was currently showing that the Fund would be cashflow negative by 2017, with explanation provided that this took no account of income investment	Tolu Osekita	An update position would be provided at the next ISC Committee meeting.	This highlighted that the point was getting close to where further decision making choices were required regarding investments going forward.	Completed
79[1]	PENSION FUND ANNUAL BUSINESS PLAN AND MEDIUM TERM STRATEGY 2014-15 TO 2017-18 The change in the cost of LGSS Services between 2013-14 and 2014-15 from £1,650,000 to £1,850,000 was due to vacancies following the Service Reconfiguration transition during	Paul Tysoe	There was a request for more detail.	It has been clarified that the service put all 80 staff posts on notice, reducing them to 60 and moved a team from CCC to NCC, which took a year to complete, therefore there was an under spend in 2013-14 as detailed in the first column.	Completed

	2013-14 financial year.				
79[2]	PENSION FUND ANNUAL BUSINESS PLAN AND MEDIUM TERM STRATEGY 2014-15 TO 2017-18 Fund Cashflow	Paul Tysoe	To report back at the next full meeting in July on an agreed view on when cashflow to the Fund was estimated to become negative.	During the confidential presentation on the Asset Allocation Strategy Review, Andrew Elliott suggested that Cash-flow would be negative by 2017-This was a contradiction to what had been presented in this report. Paul Potter and Andrew Elliott have been asked to provide further information regarding their cashflow forecast section. This will be included as a late addition to the Minute Log, possibly as part of a second dispatch.	Ongoing
79[3]	PENSION FUND ANNUAL BUSINESS PLAN AND MEDIUM TERM STRATEGY 2014-15 TO 2017-18 Key Performance Indicators currently listed in appendix format and referenced via a web link.	Steve Dainty	Key Performance Indicators to be listed explicitly in Quarterly Business Plan.	Future Business plans will incorporate an update on Key performance indicators. This will be developed as performance data becomes available.	Completed