

Cambridgeshire Pension Fund



Pension Fund Committee

Date: 18th June 2020

Report by: Head of Pensions

Subject:	Pension Fund Annual Business Plan and Medium-Term Strategy 2019/20 to 2021/22
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 2020/21 to 2022/23.
Recommendations:	The Committee are asked to approve the attached Business Plan and Medium-Term Strategy.
Enquiries to:	Jo Walton – Governance and Regulations Manager Email: jwalton@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 (the administering authority) with regards to the management of the Fund;
- Documents the priorities and improvements to be implemented during the next three years to help achieve those 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 Business Plan and Medium Term Strategy for the Cambridgeshire Pension Fund for the period 2020/21 to 2022/23 is in **Appendix 1**.

2. The Business Plan and Medium-Term Strategy

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

- Service delivery
- Governance and compliance
- Communications, systems and employer management
- Operations
- Investments

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

2.3 Estimated costs for the non-business as usual activities in appendix 1 have been detailed alongside the activity and within the financial forecasting for the relevant years. Where further costs become known during the course of the new financial year these will be notified to the Pension Fund Committee via the Business Plan Update report.

2.4 The proposed Business Plan and Medium-Term Strategy was due to be presented to the Pension Fund Committee in March but this meeting was cancelled due to the Coronavirus pandemic. The key activities have been reviewed to ensure that timescales are achievable in the current climate.

2.5 It should be noted that the asset performance within the Cash Flow Projection section of appendix 1 (page 10) do not include any estimated impact resulting from the Coronavirus pandemic.

2.6 In addition, the service is currently at full establishment with extremely limited staff turnover due to the Coronavirus pandemic. As a direct consequence it is likely that we will be below the 3 person vacancy factor allowed for in the staff budget, which may result in a small staffing overspend over the course of the current financial year.

3. Relevant Fund objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.

Continually monitor and measure clearly articulated objectives through business planning.

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
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4. Finance & Resources Implications

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

5. Risk Management

- 5.1 The Pension Fund Committee approves the Annual Business Plan and Medium-Term Strategy every March for the upcoming year. The plan highlights the key activities of the Fund and the progress of these activities are reported through the Business Plan Update reports provided to the Pension Fund Committee and Local Pension Board at every meeting.
- 5.2 The risks associated with failing to monitor progress against the Business Plan have been captured in the Fund's risk register as detailed below.
- 5.3 The risks associated with failing to monitor progress made against the Business Plan and Medium-Term Strategy have been captured in the Fund's risk register as detailed below.

Risk register	Risk mitigated	Residual risk
Governance (risk 1)	The scheme would not be administered in line with regulations and policies	Green
Governance (risk 2)	Those charged with the governance of the Fund and scheme are unable to fulfil their responsibilities effectively	Amber

- 5.4 The full risk register can be found on the Fund's website at the following link:

<https://pensions.cambridgeshire.gov.uk/app/uploads/2019/10/RiskRegisterCPF.pdf>

6. Communication Implications

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

7. Legal Implications

- 7.1 Not applicable.

8. Consultation with Key Advisers

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

9. Alternative Options Considered

9.1 Not applicable.

10. Background Papers

10.1 Not applicable.

11. Appendices

11.1 Appendix 1 – Appendix 1 Annual Business Plan and Medium-Term Strategy 2020/21 to 2022/23

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
Has this report been cleared by Section 151 Officer?	Sarah Heywood – 28 th May 2020
Has this report been cleared by Head of Pensions?	Mark Whitby – 19 th May 2020
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Rogers – 5 th June 2020
Has this report been cleared by Legal Services?	Fiona McMillan – 1 st June 2020

