

**CAMBRIDGESHIRE  
PENSION FUND**



**Pension Fund Board**

**Date:** 12 April 2017

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Review of Administration Strategy</b>
<b>Purpose of the Report</b>	<a href="#">To present the Administration Strategy to the Pension Fund Board</a>
<b>Recommendations</b>	<b>The Pension Fund Board are asked to evaluate the revised Administration Strategy and suggest any improvements to ensure an effective and workable strategy.</b>
<b>Enquiries to:</b>	Name – Mark Whitby – Head of Pensions Tel – 07990 556197 E-mail – <a href="mailto:mwhitby@northamptonshire.gov.uk">mwhitby@northamptonshire.gov.uk</a>

**1. Background**

- 1.1 The Local Government Pension Scheme Regulations 2013 provide that Administering Authorities may prepare, maintain and publish a written Statement setting out their policy concerning administration matters, and that the administering authority and its employing authorities must then have regard to that strategy when carrying out their functions.
- 1.2 The Cambridgeshire and Northamptonshire Pension Scheme have currently in place an Administration Strategy that has been jointly agreed by both Funds and is now scheduled for review. The current version of this Strategy also includes a Communication Strategy, which has already been agreed as a separate Strategy and therefore needs removing from the Administration Strategy.
- 1.3 Members of the Pension Fund Board are asked to review and provide comments on the latest draft of the before it is put before the Pensions Committee for formal approval.

**2. Purpose of the Policy**

- 2.1 The aim of the Administration Strategy is to set out clearly what is expected from the administering authorities and the Funds' employers, in order to deliver a high quality, value for money service to Scheme members.
- 2.2 Having a Strategy in place also enables an administering authority to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer.

- 2.3 To date neither the Cambridgeshire Pension Fund or the Northamptonshire Pension Fund have used the powers set out in paragraph 2.2 as the existing measures in this area are difficult to implement in practice.

### **3. Review of Administration Strategy**

- 3.1 Appendix 1 sets out the latest draft of the Administration Strategy for review by the Pension Fund Board. For ease of comparison with the currently published version, Appendix 2 provides a Microsoft Word comparison of the latest draft with the currently published Administration Strategy.
- 3.2 The Administration Strategy has had a significant number of updates, but these can be principally considered in the context of:
- Completely removing the Communication Strategy;
  - Minor Regulation updates;
  - Making the Strategy more concise and user friendly by removing unnecessary wording;
  - Streamlining the recovery of costs approach.

### **4. Next steps**

- 4.1 Following recommendations from the Pension Fund Board, the Administration Strategy will be submitted to the Pension Committee for final approval. Officers are seeking to agree a Joint Strategy with both Pensions Committees and therefore will be taking forward the recommendations of both Pension Fund Boards.
- 4.2 Thereafter the Administration Strategy would be subject to a formal 30 day consultation with relevant stakeholders including scheme employers.

### **5. Relevant Pension 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. <i>Objective 1</i>
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. <i>Objective 2</i>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. <i>Objective 8</i>
Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. <i>Objective 10</i>

## **6. Finance & Resources Implications**

6.1 The financial and resource implications are set out in the Business Plan.

## **7. Risk Implications**

a) Risk(s) associated with the proposal

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
Scheme employers may react adversely to stronger cost recovery measures	Clarification to be provided that these measures are only implemented once full training and support are put in place, are expected to be rarely used in practice, and provide equity to all scheme employers regarding administration costs.	Green

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

<b>Risk</b>	<b>Risk Rating</b>
The current version of the Administration Strategy does not enable the Fund to deal efficiently with poor performing employers.	Amber

## **8. Communication Implications**

<b>Direct Communications</b>	The Fund will publish the policy on its website for consultation following approval by the Pensions Committee
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## **9. Legal Implications**

9.1 Not applicable

## **10. Consultation with Key Advisers**

10.1 The revised Strategy was developed in consultation with Hymans Robertson.

## **11. Alternative Options Considered**

11.1 Not applicable

## **12. Background Papers**

12.1 Not applicable

## **13. Appendices**

13.1 Appendix 1 – Draft Administration Strategy  
Appendix 2 – Comparison document

<b>Checklist of Key Approvals</b>	
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?	N/A
Has this report been cleared by Head of Pensions?	Mark Whitby – 20 March 2017