

## Cambridgeshire Pension Fund Board Minutes

Date: 26 April 2024

Time: 10:00am – 12:20pm

Venue: Virtual Meeting

Present: Employer Representatives: Councillor Geoffrey Seeff, Councillor Simon King and Councillor Denis Payne [Chair]

Employee Representatives: Barry O’Sullivan [Vice-Chair] and Val Limb

Officers: Michelle Oakensen, Mark Whitby, Cory Blose, Madalina Bratec, Daniel Snowdon and Sophie Rankine

### 142. Apologies for Absence and Declaration of Interest

No apologies were received and there were no declarations of interest.

Val Limb had regrettably received a paper copy of the agenda pack late, so could not contribute fully.

### 143. Minutes and Action Log 26 January 2024

The Chair highlighted that they were incorrectly listed as an Employee Representative, and it should be corrected to Employer Representative.

The minutes of the meeting held on the 26<sup>th</sup> January 2024 were approved as a correct record.

The Chair provided an update regarding the valuation position from the Chair of the Pension Fund Committee.

The Board noted the Action Log.

### 144. Administration Report

The Cambridgeshire Pension Fund Board received an Administration Performance Report for the period 1 January to 29 February 2024. Attention was drawn to the breaches of the law section of the report, and noted the late payments detailed in the confidential appendix 4.

While discussing the report, individual Members raised the following points:

- stated it would be useful to know how close KPIs were to being on target, for example how many days over the target timeline.
- questioned if the number of members and employers in the Fund could be added to the beginning of the report to help contextualise the KPIs.
- queried if the report could be more meaningful, for example by including what the targets were. The officer stated the target for statutory/customer journey KPIs should be 100%, however that would be very difficult to achieve due to multiple triggers and contact points for each KPI.
- questioned what the time scale was for the Ambers and Reds turning to Green. The officer informed Members that it was hard to give a definite date due to the ongoing sickness problem, however there was more resilience to help combat this, such as the new training officer. Officers emphasised that they always tried to ensure that KPIs were Green however one case could affect a KPI. Officers hoped to keep critical indicators Green. 4 out of 14 KPIs were not Green and 1 was Red.
- asked if officers could highlight the KPIs that impact on cashflow to members.
- raised the frustration of the unions regarding ill health estimates and noticed that employer requested estimates were not included in the customer journey KPIs. Officers informed Members that if there was a bulk request, a timeline would be agreed with the employer. It would be hard to track the whole member experience as the officers would only be aware of an ill health case when it was raised with the service, not when the first conversation happened between employer and employee.
- queried if the digitalised portal, which allows users to view pension arrangements, would help alleviate pressure for KPIs. Members were informed that estimates could be run through members' self-service. Employers could also run calculations through an employer self-service function.

It was resolved unanimously to:

Note the Administration Performance Report

## 145. Annual Business Plan and Medium – Term Strategy

The Board reviewed the approved Pension Fund Annual Business Plan and Medium-Term Strategy 2024/25 and received an update on the end-of-year position of 2023/24 Business Plan activities. Members were informed of the activities added to the Business Plan and the status of the website. The presenting officer highlighted that Guaranteed Minimum Pension (GMP) Rectification was not included in the new Business Plan, but it was still being tracked and Members would be informed when it had been completed; it was estimated to be completed in quarter 1. Members were informed of the

request for additional resources to aid the Business Plan and the presenting officer highlighted that the staffing costs had increased, however this was in relation to annual inflation and uplift.

While discussing the report, individual Members raised the following points:

- sought clarification regarding the financial relationship between the Council and the Fund. Officers clarified the importance of the Administering Authority regarding the running of the Fund. The employer rate included the admin cost and with every valuation, the actuary calculates the management administration cost. Members were informed of the pressure that funds were under due to the increase in membership; the membership numbers would increase as active members retire or become deferred members and new active members were added.
- requested to see the website. Members were informed it had been circulated to the Board and the Committee and they welcomed feedback. Although there were limited pages, all topics and search functionality that would be on the website would be visible.
- queried the County Council overhead recovery. Members learnt that West Northamptonshire Council and Cambridgeshire County Council both had costs associated as Administering Authorities. The report showed what had been deducted from the Fund. The division of any income was then an arrangement between the two lead authorities.
- learnt that the junior posts available were pension officer roles and they would help alleviate pressure.
- queried if other alternatives were explored for the Pensions for Purpose. Officers explained that it was a niche area and Pensions for Purpose were at the forefront of the field. Another potential scheme to sign up to was the Stewardship Code and an application was in the process of being placed.
- highlighted 5.3 of the report stated 'Board' when it was meant to be 'Committee'. Also, a typo was highlighted which stated 'December 2024', however it was meant to be 'December 2023'.
- learnt that the Climate Action Plan showcased what was presented to the Committee, so if actions were not completed before the creation of the paper, they would not be ticked. The officer provided an update on the quarter 4 2023 activity and had submitted a proposal to the ISC regarding social and affordable housing, so progression had been made. The final quarter 2 of 2023 was not completed when the report was drafted but had now been completed.
- clarified that the quarters in the Climate Action Plan reflected the calendar year.

It was resolved unanimously to:

- 1) note the status of the 2023/24 Business Plan activities and current financial position (see section 3)
- 2) note the contents of the Business Plan and Medium-Term Strategy 2024/25 (see section 4)
- 3) note the membership application to Pensions for Purpose on behalf of the Cambridgeshire Pension Fund (see section 5)

#### 146. Governance and Compliance Report

The Board received a report which updated Members on Pension Dashboards, McCloud, Scheme Advisory Board, the Pension Ombudsman, Pension Regulator, skills and knowledge opportunities.

The report also contained details of immaterial amendments to policies and strategies.

Members were reminded that the mandatory training modules needed to be completed by 24<sup>th</sup> July 2024.

It was resolved unanimously to:

Note the Governance and Compliance report.

#### 147. Communications Plan

The Board received the Communications Plan which was approved by the Pension Fund Committee. The presenting officer highlighted that the Member Satisfaction Survey was only one to two questions.

It was resolved unanimously to:

Note the Communications plan.

#### 148. Equality, Diversity and Inclusion Report

The Board received a report which outlined the planned approach to Equality, Diversity and Inclusion (EDI) within the Cambridgeshire Pension Fund. The presenting officer noted that 'equity' would be included in the report that was going to the Pension Fund Committee. In the 'Fund appointments' section of the action plan, it was suggested that identifying barriers should be added as a step before the removal of them.

The effectiveness review would be rescheduled to be later in the year, which would consider EDI.

Individual Members raised the following points in relation to the report:

- queried the Board's involvement of the 'investment decisions'. Officers informed Members that this Board provided support to administration by viewing strategies in advance or after the decisions were made. Regarding investment decisions, the Board were involved in the strategies and ensuring the decisions were made in accordance with appropriate advice. It was raised that once a policy had been approved that Board Members can question if the policy is being adhered to.
- highlighted the difficulty to recruit co-opted members to the Board, and noted that some roles had to be filled by councillors as per the Constitution.
- stated that the Pension Regulator measured representation on a national basis, Local Board make up would be different, but this information was not currently captured.
- emphasised the importance of education for Board and Committee Members. A Member highlighted the difference between a representative and a delegate.
- questioned the wording regarding the 'Role of the Chair' as they disagreed that the role of the Chair was to have skills in debating and challenging, but rather it should be to treat everyone with respect. Another role of the Chair was to bring the Board to a majority, or a consensus review, and that should be included. The officer agreed to review the wording – **action required**.
- encouraged a review of wording in Board adverts to encourage more people to apply. The presenting officer supported this and suggested a reconsideration of where these were advertised.
- queried if 'encourage and maintain a diverse [...]' from the Fund appointment section of the action plan could include that this would be an aspiration, and where that was not possible, emphasis that Board Members were knowledgeable of the scheme membership. The presenting officer emphasised both Member and officer training.
- sought clarification if the Web Content Accessibility Guidelines (WCAG) 2.1 should to be 2.2.

It was unanimously resolved to:

Review the proposed EDI actions located in appendix A.

## 149. Cashflow Projections Report

The Board received a report which summarised the cashflow projections report produced by the Fund's Actuary. Members were informed that being

cashflow negative was not a negative position overall but rather a part of a lifecycle of the Fund.

Attention was drawn to three scenarios that were tested. The first scenario was the base line position which expected the Fund to be neutral in the short term and potentially cashflow negative by 2030. The second was a recession scenario/ low inflation which would expect the cashflow to be neutral in the short to medium term. The final scenario was a high inflation position which expected to be cashflow negative in the next few years. The importance for planning was highlighted.

Individual Members raised the following points in relation to the report:

- queried how easy it was to liquidate assets in the ACCESS pool. Officers replied that as part of the cashflow management strategy, there was a certain level of cash on hand so payments could be made. The cashflow position was assessed multiple times per day. Money could be returned quickly as it was part of daily trading. The likelihood of having to liquidate assets was quite low.
- questioned how cashflow scenarios were calculated. Officers informed Members that 5000 different economic scenarios were assessed and three reasonable scenarios that may present themselves were included in the report.

It was unanimously resolved to:

Note the contents of the report.

## 150. Cambridgeshire Pension Fund Board Agenda Plan

Members noted that the agenda plan only listed to June and as time moved forward, it would be extended. A Member raised that the election of Chair and Vice-chair should be included. The effectiveness review would be moved from June to a later meeting.

A Member queried if the whole risk register needed to be exempt and emphasised the importance of transparency. Officers informed Members that for security reasons, some risks needed to be exempt, and it would be difficult to create two risk registers.

## 151. Exclusion of Press and Public

*To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed*

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

*With the Board's agreement, it was agreed to take the following item out of sequence:*

#### 152. Cambridgeshire Pension Fund Risk Monitoring

The Board reviewed the Cambridgeshire Pension Fund Risk Register.

It was unanimously resolved to:

Approve the recommendations as set out in the report.

#### 153. AVC Report

The Board reviewed the AVC report.

It was unanimously resolved to:

Approve the recommendations as set out in the report.

#### 154. ACCESS Update

The Board were presented with the latest asset pooling update to the Pension Board.

It was unanimously resolved to:

Approve the recommendations as set out in the report.

Chair