

Public Local Pension Fund Board Minutes

Date: 30 June 2023

Time: 10:00am – 11.53am

Venue: Virtual

Present: Employer Representatives: Councillors Simon King and Geoffrey Seeff
Employee Representatives: Barry O’Sullivan [Vice-Chair]

100. Election of Chair

As the current Chair, Councillor Payne, was unable to join the meeting, it was agreed to defer the appointment of Chair and Vice Chair items.

101. Election of Vice Chair

Item deferred.

102. Apologies for Absence and Declarations of Interest

Apologies for absence were received from Councillor Denis Payne and Val Limb.

103. Local Pension Fund Board Minutes – 28 April 2023 and Action Log

The minutes of the meeting held 28 April were approved as a correct record.

With regard to item 98, the Vice Chair confirmed that he had attended the most recent ACCESS meeting as an observer and would feedback on this experience under the ACCESS update item.

The board noted the action log.

104. Local Pension Fund Board Minutes – 27 January 2023

The minutes of the meeting held 27 January were approved as a correct record.

105. Minutes of the Pension Investment Sub-Committee – 25 May 2023

The minutes of the Investment Sub-Committee meeting held 25th May were noted.

106. Administration Report

The Local Pension Fund Board received a report which set out the Cambridgeshire Pension Fund's performance for the period 1st April to 31st May 2023.

In April and May, targets were missed in the following areas:

- Payment of retirement benefits from active employment (Red/April).
- Payment of pension benefits from deferred membership status (Red/May);
- Provide a maximum of one estimate of benefits to employees per year on request (Amber/April)

During the Covid period, the Pension team had enjoyed a stable workforce, but since then there had been a number of staff leaving to take up new roles. New staff had been recruited but their inexperience in the team was an issue, but this was expected to improve. Additionally, there were a number of Maternity Leave covers coming up.

The following points were noted:

- At the April Board meeting, new KPIs had been developed looking at the customer experience. The Operations Manager was currently analysing initial results;
- The section of the report dealing with Internal Dispute Resolution Procedures (IDRP) had been reformatted, specifically in relation to separating out the Stage 1 and 2 Disputes;
- With regard to the overpayments section, officers gave detail on how the overpayment had occurred. An invoice had subsequently been raised, and the Board was reassured that checks had been carried out to ensure there were no similar cases, and that the current processes were very robust.

Arising from the report:

- In response to a question on the Stage 1 IDRP complaint of maladministration following delays in paying AVCs, it was confirmed that this was likely to be due to administrative delays within the team, rather than any issue with Prudential, the provider of AVCs for the Fund. Officers agreed to circulate a note to Board Members, and also confirmed that the situation with Prudential was now improving. Action required;
- Discussing the Stage 1 and Stage 2 IDRP disputes relating to the refusal to pay 50% widow's pension following the death of a pensioner, it was confirmed that these related to the same case. The case was currently at Stage 2, awaiting Monitoring Officer determination. If not upheld, the complainant could take the matter to the Pensions Ombudsman;

- With regard to the Overpayment, it was confirmed that the Fund could recover overpayments where there were errors and where the Fund had not been notified of a death. An invoice had been raised in this case, in line with the Overpayment of Entitlement policy. However, officers always ensured that any such financial demand did not cause hardship;
- A Member asked if there was any implication of not meeting the statutory targets. Officers explained that an internal breaches log was maintained so underperformance would be recorded, and these issues would be monitored and addressed accordingly;
- Observing that there appeared to be some outliers in terms of receipt of employer contributions in May and November 2022, a member asked if this situation had stabilised? Officers explained that they were generally not concerned with one-off late payments, especially where a good reason was given. Of more concern were patterns of persistent late payments, which was always closely monitored, and a number of actions were available to the team in those cases;
- A typo was noted in paragraph 10.1 – should “und” should read “Fund”;
- A Member asked about the circumstances surrounding Chorus Homes Group leaving the scheme, as Chorus were a major local employer. Officers agreed to check the details and circulate information if there was anything unusual with this cessation. **Action required;**
- With regard to Service Levels and statutory requirements in connection with deferred pensions, a Member commented that presumably the team had sophisticated computer systems which calculates dates when pensions fall due, and he asked how this deferred pension issue had arisen. Officers advised that deferred pensions were usually straightforward, as they were not potentially waiting information e.g. from the Employer’s payroll. For that reason, it was unusual to see Red KPIs in relation to Deferred Pensions. The circumstances of this specific case were outlined;
- It was also noted that the Amber KPIs mainly related to the challenging targets the Fund had set itself, compared to industry standards e.g. a five day target compared to an industry standard of twenty days.

It was resolved to note the Administration Performance Report.

107. Business Plan Update

The Committee considered an update to the Business Plan, which set out progress against key activities.

The procurement of pensions administration and pensioner payroll platform was a critical action this year. The closing date for the Competition exercise had passed and more than one software supplier had come forward.

With regard to the processing of undecided leaver records, progress on achieving the number of aged cases has been significantly slowed down as a result of the Government Actuary's Department issuing an instruction not to process entitlement for those members who are entitled to a refund or a cash transfer value until they have recalculated the factors used in cash transfer value calculations. The new factors had been provided at the end of May and work on this backlog would start shortly. More broadly, AON had been asked to undertake a review of processes around undecided leavers, to ensure there were no further efficiencies to be gained in this area.

With regard to unprocessed leaver records, it was noted that this figure could be artificially inflated, e.g. following a pay award after a member had left, which effectively appeared as a new record on the Payroll system. New processes were being introduced so that this would not be an issue going forward.

The report was welcomed. A Member asked if headway was being made on reducing the backlog of Undecided leavers. Officers explained that the original backlog had been reducing but new aged cases had arisen from "Business As Usual" activities. Additional resources had been allocated to that team and this was starting to feed through. The AON review of those processes would be helpful in providing an independent view and ascertaining whether this was a process issue, or a broader issue relating to resources, performance or quality of data received from scheme employers.

It was resolved to note the Business Update.

108. Governance and Compliance Report

The Local Pension Fund Board received a report which provided information on governance and compliance issues.

Members were reminded that there had been a project reset on the Pensions Dashboard Programme, and there had been a recent announcement confirming there would be a single connection deadline of 31 October 2026. The staging deadline elements of the proposals would not be set out in legislation but would be issued as guidance, with 31 October 2026 as the absolute deadline for completion. The Fund was waiting for guidance from the Money and Pensions Service and DWP, which should include this staging timeframe. The message was to continue with data improvement and ensure that the level of data quality was good. Members were reminded that the Data Improvement Plan had been considered at the April meeting of the Board. There were some regional discussions taking place with peers e.g. regarding the AVC elements, with a view to identifying potential solutions.

The new consultation for the McCloud Remedy now been launched, focusing on technical issues, and the Fund would be submitting a consultation response. The LGA had published a consultation response earlier this week. It was agreed that the final consultation response would be circulated to members. **Action required.**

A report on the Gender Pensions Gap within the LGPS had been published in March. There was limited scope in terms of what Funds could do, as this was more of an Employer issue, but it was envisaged that it would have useful communication and engagement elements.

In March 2023 the Pension Fund Committee had agreed that all policies and strategies would be reviewed by the Committee on a three-year cycle, with officer reviews to be conducted, largely annually. To ensure transparency and oversight, amendments deemed immaterial would be provided to the Committee in advance of implementation and to the Board to note, to ensure that all members had oversight of the changes being made.

The new LGPS Online Learning Academy platform was now live, and Members were encouraged to ensure they could sign in and navigate the platform. It was agreed that this information would be resent to Cllr King and Mr O'Sullivan. Action required.

One Member expressed strong concerns that all the external events in the Training Plan only offered face to face attendance, which he found astonishing given the increasing importance of environmental considerations. He observed that only one event, a governance conference, offered hybrid attendance. Officers agreed to feed back on this point, but suggested that it was probably due to the sponsorship model which supported most of these external events. The Board and Committee's desire to have virtual or hybrid training was reflected in the internal training programme. The Vice Chair commented that from a personal perspective, he gained a great deal from attending these external events in person, especially in terms of networking opportunities.

It was resolved to note the Governance and Compliance Report.

109. Training Strategy

The Board reviewed the Pension Fund Training Strategy. Due to the change in approach to the Fund's core training requirements, officers had reviewed the Strategy to ensure the new approach was appropriately reflected, and expectations were clear.

It was noted that the main CIPFA Knowledge and Skills framework would now include reference to the Hymans Robertson Online Training Academy. The timescales set out in the revisions were noted i.e. six months for the Pensions Regulator's e-learning Toolkit, twelve months for the Online Training Academy and three months for the current issues modules. The Strategy would be reviewed in twelve months, by which stage all mandatory training should have been completed, and feedback could be reviewed. It was stressed that bespoke training would still be appropriate as issues emerged. Officers would be emailing members once the Strategy was live, and it was confirmed that the twelve month Academy timescale had not yet commenced.

The Board indicated their support for the Strategy. It was suggested that in-person training session could be scheduled on the same date as the Board's annual face to face meeting.

It was resolved to review the Strategy.

110. Agenda Plan

It was confirmed that the November meeting would be in-person, but that provisions could be made for a hybrid meeting in case any Member was unable to physically attend.

It was confirmed that election of Chair and Vice Chair would be considered at the November meeting.

The agenda plan was noted.

111. Exclusion of Press and Public

It was resolved that the press and public be excluded from the meeting on the grounds that the agenda contained 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).

112. Cambridgeshire Pension Fund Risk Monitoring

The Board reviewed the Cambridgeshire Pension Fund Risk Register.

It was resolved to review the Cambridgeshire Pension Fund Risk Register.

111. ACCESS Update

The Board received an update on the ACCESS Asset Pool.

It was noted that observers had attended the last meeting on 5th June, including Cllr King (remotely) and Mr O'Sullivan.

It was resolved to note the report.

The Vice Chair was thanked for ably chairing the meeting.

Chair