

Pension Fund Committee: Minutes – Public

Date: 2 October 2024

Time: 10.00am – 12.37pm

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors M Black (Vice Chair), A Costello, A Sharp (from 10.57am), A Whelan (Chair) and A Wood; C Boden, Fenland District Council; L Davenport-Ray, Huntingdonshire District Councillor; L Brennan, H Nelson and M Pink

215. Apologies for absence and declarations of Interest

Apologies for absence were received from Councillors H Batchelor and P McDonald (substituted by Councillor A Wood) and H Nelson. Councillor Sharp sent apologies that he would be arriving late.

Liz Brennan declared an interest as active member of the pension scheme. Matthew Pink declared an interest as an active member of the scheme, and that his wife was a retired member of the scheme.

216. Minutes – 18 July 2024 (public) and Minutes Action Log

The public minutes of the Pension Fund Committee meeting on 6th June 2024 were approved as an accurate record and signed by the Chair.

The minutes action log was reviewed and verbal updates provided:

- i. Minute 204: Minutes 6 June 2024 and Minutes Action Log
A member had asked how the County Council's commitment to community wealth building was incorporated into procurement and investment decisions. The Chair acknowledged this as an area of interest, but was concerned that the cost of obtaining the information should not be disproportionate. They asked officers to explore what relevant data was held already and the ease of obtaining further quality data. **Action required**
- ii. Minute 213: Minutes 18 July 2024 and Minutes Action Log
A member asked a follow up question on how robust the carbon reporting is and how much of the data is actual and estimated in the climate report. The Investment and Fund Accounting Manager advised that Mercer was producing a report for the ISC, and this could be shared with committee members too. **Action required**
- iii. Minute 195: Pension Fund Annual Business Plan Update Report 2024/25
Members welcomed the two thirds reduction in the undecided leavers backlog, but noted that some of the remaining cases were over 10 years old. They asked whether this was an

administrative issue or if individuals were being impacted. The Head of Pensions stated that priority had been given to issues that were critical to members, such as processing cases where members are retiring or are at an age where they could voluntarily retire. He offered an assurance that cases where a member was due a pension would already have been prioritised. Longstanding cases may, for example, include guaranteed minimum pension cases where we cannot trace the member and therefore cannot physically process the case or may be complex with ongoing records. Tracing organisations were used to help locate members and national pensions awareness campaigns encouraged people to check for unclaimed pensions. Promoting member self-service was the optimum route for members to stay in touch securely.

The minutes action log and verbal updates were noted.

217. Petitions and Public Questions

There were no petitions or public questions.

218. Administration Performance Report

Members were advised that 12 key performance indicators (KPIs) had not been met in the period 1 April to 31 July 2024. Inexperience within teams, vacancy levels and staff sickness had all contributed to this, and cases were being prioritised to ensure the most urgent were addressed first. The KPI for providing an estimate of benefits to employees was red rated and it was expected to remain so for some time as these were a lower priority unless they were needed quickly in which case they would be prioritised. Mitigations included additional staff resource being recruited into team including a training officer post. The KPIs were being reviewed against CIPFA annual report guidance and a payment of refund KPI would be added. The aim was to bring the full suite of KPIs to the meeting in March 2025 and to begin reporting against these from April 2025. Additional narrative had been added around the customer journey as previously requested and officers were looking at systemic issues analysis, initially around starters and leavers. One breach of the law was reported which related to the number of annual benefit statements not issued in time for a small number of complex cases. One Stage 1 dispute had been upheld and one partially upheld. These would be reviewed to take learning from the issues raised.

Individual members raised the following issues:

- Appendix 1: asked whether there was an automated way for members to obtain an estimate of benefits. Officers advised that the Pensions team accepted direct requests for estimates, but also encouraged members to use the self-service options available via a secure portal. The number of self-service users per month was not included in the figures, but this information could be included in future reports. The member expressed some surprise that it took so long to respond to direct requests when only around two were received per day. The Head of Pensions explained that estimate requests were also received from employers which could be larger volume and time critical which impacted capacity. The Chair asked that officers look at what information around this could be provided next time. **Action required**

- Appendix 2: learned that customer journey reporting was automated, with reports run regularly. Those not in target were generally due to information being received late from employers, so whilst this was followed up with them it was unlikely a 100% rate would be achieved. Member response times also contributed to the overall customer journey experience.
- Appendix 2: noted the percentage of failures to inform scheme members of benefits due to employer delays and asked if it was the same employers causing this issue each time. Officers advised that it was a number of employers at present, some of whom outsourced their payroll services which complicated matters. Analysis of this was being undertaken so while it was not possible to give a definitive answer now this would be available in the future.
- learned that legislation was expected to remove the requirement to report contribution payments made outside of the 5 year period during 2025.
- asked whether complaints tended to relate to one-off errors or if they indicated more systemic issues. Officers advised that there was a mixture of the two. The more systemic complaints tended to be around breakdowns in communication and these were reviewed via the Quality Assurance Board. Determinations made nationally by the Pensions Ombudsman were also reviewed to identify learning.

It was resolved unanimously to:

- a) note the Administration Performance Report.
- b) note the Data Improvement Plan located in Appendix 5.

219. Pension Fund Annual Business Plan Update report 2024-25

The Head of Pensions advised that Heywood Pensions Technology Ltd's Integrated Service Provider solution and associated data quality reports had been procured to enable connection to the dashboard infrastructure, so that indicator would change to green. More detail was needed than had originally been envisaged in relation to activities within the Fund's Climate Action Plan, but progress was being made. Good progress had been made in-year on processing undecided leaver records, but this work had stalled over the summer due to pressure of other business and the indicator was amber. An end of life letter had been received for the current member self-service solution for January 2026 so work was taking place around that. Website development was progressing well and should launch by the end of the year.

A member asked for an update on the climate action plan. Officers advised that much of the data was not reliable at this stage and that they were in discussion with Mercer about this. It was hoped that the data could be included in the next report.

A question about cyber security was raised which was answered during private session.

The Pension Fund Annual Business Plan Update report 2024-25 was noted.

220. Governance and Compliance Report

The Governance and Regulations Manager provided an update on McCloud and reported that regulations were laid on 28 August 2024 to come into force on 1 September, preventing the Fund from having to report a breach of the law to TPR, the regulation would be backdated to October 2023. The Fund was compliant on 2023/24 annual benefit statements that had been issued and needed to be mindful for the 2024/25 benefit statements to ensure compliance.

A positive response had been received to the recent recruitment exercise to fill a vacancy on the Local Pensions Board, successfully identifying a preferred candidate from a high calibre field of applicants following interviews.

Progress was being made on reviewing policies and strategies in accordance with agreed arrangements. 80% of committee members with membership of 12 months or more had completed the online skills and knowledge training.

The Governance and Compliance Report was noted.

[Councillor Sharp joined the meeting at 10.57am]

221. Employer Admissions and Cessations Report October 2024

The Committee reviewed the proposed admission of eight employers to the Cambridgeshire Pension Fund across nine admission agreements and were advised of the cessation of nine admission agreements in relation to eight employer.

It was resolved unanimously to:

1. Note the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approve the sealing of the admission agreements:
 - Nexgen Group Limited
 - Knightsbridge Commercial Cleaning Services Limited
 - Lunchtime Company Limited
 - Total Clean Services Limited
 - Aspens Services Limited x 2
 - ABM Catering Limited
 - VHS Cleaning Limited
 - GSO t/a Reef Cleaning Solutions Limited

2. Note the cessation of admission agreements in relation to the following employers:

- Collections Trust
- Pabulum Limited
- Goshen Multi-Services Limited
- Nexgen Services Limited
- Taylor Shaw Limited
- Lunchtime Company Limited
- Aspens-Services Limited x 2
- Serco Limited

3. Note the update on the previously reported cessation of an admission agreement in relation to Churchill Contract Services.

222. Overpayment of Pension Entitlement and Debt Recovery Policy

The Governance and Regulations Manager advised that the overpayment of pension entitlement and debt recovery policy had been due for officer review only at this point in the review cycle. However, it was felt that the policy needed to look more widely at employer and miscellaneous debts so this had been brought to the Committee for consideration. This was not due to any concerns around volume or amount of debt, but represented good governance and transparency. Work was in hand on internal guidance for all overpayments. This had been shared in draft with the Local Pensions Board and had resulted in the inclusion an additional explanation of the £250 overpayment write off and a new section at paragraph 8.5 stating that aggregated overpayment/ debt amounts that were deemed to be material to the Fund would be raised with the s151 Officer and Pension Fund Committee by the Head of Pensions. The examples at Appendix 1 would also be updated in the next version.

It was resolved unanimously to approve the overpayment of pension entitlement and debt recovery policy.

223. General Code of Practice Compliance

The General Code of Practice had been enforced since March 2024, and Officers had decided to split into three elements to report to the Committee to ensure a robust review was undertaken for each requirement (regulatory, TPR expectations and best practice). The first report contained the review against regulatory compliance and highlighted two issues of partial compliance. On the first a conflicts of interest register was already in place, but the Code contained an additional requirement for Local Pension Board conflicts of interest to be published. This had been completed. The second related to leavers who were entitled to either a refund or refund and cash transfer quote. A process was already in place to identify these, but there was no reporting mechanism to identify if this had been done in a timely manner. It was hoped to automate this process and a key performance indicator (KPI) was in development.

The independent governance adviser Hymans Robertson had been asked to conduct a desktop review of compliance. This resulted in two further activities being identified for further consideration that did not impact regulatory compliance but could offer additional assurance. These related to the internal dispute resolution process and giving further consideration to whether any knowledge or competence assessment should be undertaken to demonstrate committee members' knowledge and skills

Individual members raised the following points:

- shared their recollection that the pass rate for some learning modules was zero percent. Officers confirmed that the current arrangements might not be as robust as the pensions regulator would wish for the committee to demonstrate the skills and knowledge needed to discharge its responsibilities. Further discussion around this with the committee would probably be needed. The Chair stated that it would be good to have a minimum pass rate for all learning modules.
- asked whether other training providers were available. The Governance and Regulations Manager advised that Hymans Robertson were the only Local Government Pension Scheme specialist trainers available when the existing training offer was adopted, but undertook to check the current position. A member observed that the City of London Corporation Pension Fund Board had a different training provider. **Action required**

The regulatory compliance check against the General Code of Practice was noted.

224. Pensions Dashboards Update

The Committee was advised that the pensions dashboard update was generally included in the Governance and Compliance report, but going forward it would be a separate report in order to provide a clear audit trail of the information communicated to the committee and the decisions which the committee made. The deadline for connecting the integrated service provider (ISP) to the pensions dashboard infrastructure was 31 October 2025. The date at which scheme members and the public would be able to access the dashboard was not yet known, but was expected to be around mid-2026. Pension schemes would need to decide on matching criteria to match scheme members to their pensions, and proposals on this would be brought to the committee for consideration. The data which would be available via the dashboard would be quite high level, with the member self-service option offering more detail. Some post-connection testing of the dashboard would be critical to ensure compliance with the Money and Pension Service (MaPS) code of connection. Paragraph 5.1 set out the revised implementation costs which were less than those contained in the 2024/25 business plan.

A member noted that the Pensions Regulator had started an awareness campaign in July and asked whether more questions were being received in light of that. The Head of Pensions advised that he did not recall any enquiries to date, but hoped it would encourage further take-up of the member self-service scheme when it went live in 2026.

It was resolved unanimously to note:

- a) the contents of the report.
- b) The changes to the budget associated with the Pensions Dashboard Programme.

225. Annual Report 2023/24

The annual report was usually produced alongside the statement of accounts, but it had been separated out this time for ease of use. Signing off the annual report was the responsibility of the Pension Fund Committee, although it would also be shared with the Audit and Accounts Committee. Audit and Accounts would take the lead on reviewing the statement of accounts. There had been some changes to the guidance from CIPFA around what must, should and may be included in the report this year. The inclusion of a value for money summary was now a requirement, but had not been included. A summary report had also been added to make the document more user-friendly.

Individual members raised the following points:

- highlighted the length of the report, although noting that there was limited discretion about what was included. The addition of a new summary report was welcomed.
- expressed surprise at the reference in the Chair's foreword to the funding level of the scheme as a whole. The figure quoted related to the last actuarial valuation in March 2022 and whilst it was acknowledged that this figure had improved since that valuation the most recent valuation was not included. Scheme members must have confidence that their pension was fully funded, and the member felt that the inclusion of the current estimates would have provided that assurance. This would not be an issue next year as the new actuarial valuation would be available, but the same issue would recur during subsequent years between valuations and they encouraged further thought around how this should be presented in the intervening period. They judged that it was essential that consideration was given now about how the new actuarial variation would be explained when it was received and what it would mean in practice.

The Chair stated that they had been reluctant to include a figure which suggested a significant overfunding given the limited reliability of that figure, which would have required lengthy explanation. They acknowledged that a more detailed explanation would have been required if the Fund had been in a negative position. The Head of Pensions stated that the previous actuarial valuation was a reliable figure, whereas any figures generated between actuarial valuations would have limitations. Work was being undertaken to look at other ways of framing the position in relation to fund assets and more information on the updated position on the funding level would be included in the statement of accounts.

- commented that they would have liked to see more around the decarbonisation trajectory to give a sense of the level of confidence around this, and would like to see this included in

next year's annual report. Officers undertook to explore this, but noted that the content of the report must comply with the CIPFA guidance. **Action required**

It was resolved unanimously to approve the Annual Report 2023/24.

226. Agenda Plan

The agenda plan was noted.

227. Exclusion of Press and Public

A Member questioned why some of the reports for discussion in exempt session were fully exempt. The Chair asked officers to think carefully about what information needed to be considered in exempt session ahead of the next meeting.

It was resolved unanimously that the press and public be excluded from the meeting on the grounds that the following items 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).

The meeting was adjourned from 11.45 - 11.51am.

228. Minutes – 18 July 2024 (Confidential)

The confidential minutes of the meeting on 18 July 2024 were approved as an accurate record and signed by the Chair.

229. Stewardship Report

The Sub-Committee reviewed the Stewardship Report.

It was resolved unanimously to:

- a) note recommendation a)
- b) approve recommendation b), as amended.

230. ACCESS Update

The Committee reviewed the ACCESS update report and received a verbal update on the ACCESS Joint Committee meeting on 9 September 2024.

It was resolved unanimously to:

- a) note the report.
- b) approve recommendation b).
- c) note recommendation c).

[Chair]