

Cambridgeshire Pension Fund Board Minutes (Public)

Date: 4 April 2025

Time: 10.00 a.m. – 12.47 p.m.

Venue: Virtual

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

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

External Auditor: A Iqbal, KPMG

199. Apologies for Absence and Declarations of Interest

The Chair thanked Dawn Graham for their attendance on the Board.

Apologies were received from Councillor Simon King.

There were no declarations of interest.

200. Minutes and Action Log 7 February 2025

The minutes of the meeting held on the 7 February 2025 were approved as a correct record.

While noting the action log, a member queried if the overpayment mentioned in a previous Administration Report had been recovered. An update would be sent to Board members outside of the meeting – **action required**.

201. Internal Audit Report

The Board received the Internal Audit review of Benefit Administration for the period 2023-24. Members were asked to review and provide input to the proposed three-year plan Internal Audit Strategy and Plan for the Cambridgeshire and Northamptonshire LGPS for the financial years 2025/26 – 2027/28. Members learnt that the three-year plan was flexible and could adapt to emerging risks.

While discussing the report, Members:

- established that the Internal Audit Strategy and Plan had been approved by management. It was requested that this was clearly stated in the executive summary – **action required**.
- noted that some actions listed in the Internal Audit Strategy and Plan should be undertaken immediately.

- learnt that if the Pension Fund Committee or the Pension Fund Board disagreed with Internal Audit regarding a policy, concerns would be raised with management, and it would be a risk-based issue. The Head of Internal Audit and Risk Management highlighted the importance of risks being mitigated at an appropriate level and reassured Members that proposed changes would have to be approved by the appropriate Committee or Board.
- highlighted a formatting issue in the management action plan in Appendix 2. Officers agreed to review this – **action required.**
- questioned if the actions that were due to be implemented by 31 March 2025 had been completed. The Head of Pensions stated the actions were a mixture of advisory and medium/high level actions. The medium/high level actions were tracked and sent to Internal Audit. An update on the actions would be circulated to Members – **action required.**
- asked for more information about the expertise of the Internal Audit Team in relation to pensions. The Head of Internal Audit and Risk Management informed Members that there were a variety of qualifications within the Internal Audit Team including Chartered Accountants and Chartered Internal Audit Professionals. All internal auditors were either qualified or training for their qualifications. There was no specific pensions expertise, however the Internal Audit Team was able to deliver the audit plan. If specific pensions expertise was required, appropriate expertise would be sought.
- sought further clarification on the reliance on other assurance providers. Members learnt that External Audit reports were reviewed for the Pension Fund. There was a mix of external work, such as the desktop exercise from Hymans Robertson, and internal work, such as the self-assessment of compliance. Members learnt that best practice for assurance exercises involved independence, however the importance of internal quality assurance was emphasised. A Member stated that the Audit and Accounts Committee had raised similar concerns at a previous meeting and was satisfied with the response.

Following the agreement of the Board, it was agreed to include risk management in the first-year audit - **action required.**

A Member had questions which related to the confidential appendix. The Chair offered the option of moving into confidential session so these questions could be answered by the Head of Internal Audit and Risk Management, but the Member was content to pose the questions outside of the meeting for written response – **action required.**

It was resolved unanimously to:

- a) note the internal audit work covering the period 2023-24;
- b) review and input to the proposed 3-year Internal Audit Strategy & Plan.

202. Administration Performance Report

The Cambridgeshire Pension Fund Board received the Administration Performance Report for the period 1 January to 28 February 2025. The Board learnt that 321 member surveys were issued, and scheme members rated the Fund's administration an average rating between 3.73 - 4.45 out of 5.

Eight of the fourteen key performance indicators (KPIs) had not been met: four were amber and four were red. These were due to system workflows not being utilised effectively, sickness levels and an increase in workflow volumes. Since April 2021, casework volumes within the Service had increased by 100% for members retiring from either a deferred or active status. The structure of the service would undergo a review to ensure resources were distributed effectively. The Pension Fund Committee had approved the recruitment of two individuals within the Operations team.

An error was highlighted in Appendix 3: '% of Employers Paid on Time'. The average for the period should state 99.7%.

The presenting officer drew Members' attention to the customer journey KPIs, receipt of employee and employer contributions, a significant overpayment of pensions, Cambridgeshire Pension Fund data improvement plan, and the employers' admissions and cessations.

While discussing the report, Members:

- learnt that the Service set the targets for the KPIs. The Head of Pensions informed Members that there would be a change in the KPIs from April 2025 to align with the annual reporting guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA).
- queried if the late employer contributions were from the same employers each time of reporting. Members learnt they were not the same employers and that, if an employer had paid late contributions three times in a year, they would be reported to the Pensions Regulator. The Investments and Fund Accounting Manager stated that most late employer contributions were usually received a few days after the deadline.
- noted in Appendix 2 that in 'Inform members who leave the scheme at or after retirement age of the benefits due', 80% of the failures were due to the employer. The Member queried the remaining 20%. The Head of Pensions stated sometimes the delay could be due to the

individual. The Governance and Regulations Manager informed Members that the KPIs were in the process of being analysed.

It was resolved unanimously to:

note the Administration Performance Report.

203. Governance and Compliance Report

The Board received an update on the McCloud remedy, activities of the Scheme Advisory Board, activities of the Pensions Regulator, LGPS England and Wales, Cambridgeshire Pension Fund representation, and skills and knowledge opportunities.

The Governance and Regulations Manager stated that there were 140 pensioner records within the Cambridgeshire Fund in scope for a final guaranteed amount as part of the McCloud remedy; 31 were in payment as the retirement was processed after October 2023, and 109 cases were to be rectified. Pre-conversion, the average amount per individual was £161.77 per annum, with the range of 5p and £1710. Extra due diligence would be undertaken to ensure the correct value was to be paid. Members learnt that verifications were still underway which may identify more individuals to be rectified.

While discussing the report a Member asked if the Annual Benefit Statements would have a section on the McCloud remedy. The Governance and Regulations Manager stated this would be investigated when the final template had been received in May from the software supplier.

It was resolved unanimously to:

note the Governance and Compliance Report.

204. Business Plan and Medium-Term Strategy 2025-26

The Head of Pensions presented the Cambridgeshire Pension Fund Business Plan and Medium-Term Strategy 2025/26 to 2027/28 and the Climate Action Plan. Members noted the activities which were RAG rated amber, as listed in section 2.2 of the report. The Head of Pensions stated some activities in the business plan, related to Fit for the Future, were uncertain as they were only consultation proposals at the current time, and there had not been a response from government. The Head of Pensions explained the increase in staff related costs and the County Council overhead recovery.

The length of agendas was acknowledged, and Members learnt the intention was to streamline some reports.

While discussing the report, Members:

- noted that the local government reorganisation was being appropriately considered. The Head of Pensions stated that Northamptonshire County Council had previously undergone the reorganisation process and noted the upcoming reorganisation was expected to be within the existing boundaries of Cambridgeshire. If the reorganisation was not within those boundaries, the process would become more complex.
- confirmed that the increasing complexities listed in section 3.3 of the report were due to external pressures.
- highlighted that the number of undecided leavers differed in the report to the Administration Performance report. Officers agreed to correct this – **action required.**

It was resolved unanimously to:

- a) note the status of the 2024/25 year-end Business Plan activities (section 2.1-2.5 & appendix 1).
- b) note the year-end position of the cyber action plan (section 2.6 & appendix 2 exempt).
- c) note the contents of the Business Plan and Medium-Term Strategy 2025/26 and associated budget, including the 2024/25 year-end financial position and revised objectives for the Fund (section 3.1-3.7 & appendices 3 & 4).
- d) note the 2025/26 Climate action plan (section 3.6 & appendix 5).

205. Training Strategy

The Training Strategy had been reviewed to ensure compliance with the Pension Regulator's General Code of Practice and in anticipation of expected requirements from the Pension Review, which incorporated the Good Governance Review recommendations. To ensure Members had an appropriate level of knowledge and understanding, Members would participate in the 2026 National Knowledge Assessment to identify any knowledge gaps. Members learnt that the assessment would be 15-20 minutes long and would be open for a few weeks.

The Governance and Regulations Manager acknowledged the risk to the appropriate skills and knowledge on the Pension Fund Board and Pension Fund Committee due to the upcoming election. To help mitigate the risk there was scheduled induction training and a networking event in June. Additionally, the LGPS Online Learning Academy (LOLA) modules were expected to be completed within 6 months to align with the Pensions Regulator expectations. Members were surveyed on the training platform and the results were provided to Hymans. Members learnt there was one other comparable training

site that was in the early stages of development, so the officers were currently satisfied with the LOLA platform.

While discussing the report, Members:

- learnt that additional training would be provided if a member did not pass the assessment. If a member did not undertake the necessary training, there would be the issue of non-compliance. This would be highlighted to the relevant chair, however any non-compliance would also be reported to Cambridgeshire County Council's Monitoring Officer.
- noted the LOLA training modules were for all members, regardless of their previous experience or knowledge.
- questioned what would happen if someone joined the Committee or Board a few months prior to the assessment. Members were advised that this would be reviewed appropriately if the situation arose.
- learnt that members were able to attend additional training as listed in section 11.5 of the strategy.
- noted that the Hymans Robertson Online Training Academy included the role of the Cambridgeshire Pension Fund Board, as well as the Committee. The Governance and Regulations Manager stated the training and networking event in June would outline the roles of the Pension Fund Board and Pension Fund Committee. It was agreed to share the PowerPoint slides from the session – **action required**.
- noted that the Fund was recognised as a professional investor.
- highlighted that 11.5 of the Training Strategy should state 'Northamptonshire Pension Fund' – **action required**.
- noted the incorrect numbering in the strategy. Officers agreed to update this – **action required**.

It was resolved unanimously to:

review the Cambridgeshire Fund Training Strategy

206. Communications Strategy and Plan

The Board received the Communications Strategy and Plan. Attention was drawn to the updates to the strategy and plan which included the Pensions Regulator 'General principles for members communications and the introduction of artificial intelligence (AI).

While discussing the report, Members:

- questioned if there were any national initiatives for AI and communications. Members learnt that chat bots were being reviewed within West Northamptonshire Council Digital and officers were keen to learn from this to potentially help members on the website. However, officers were currently unaware of any national initiatives. Another Member asked for the option to request to speak to a human rather than AI. Officers noted the point and agreed to consider this view if they looked to implement a chat bot in the future.
- queried the communication and engagement with employers. Members learnt that employer engagement was an issue with other funds. The Governance and Regulations Manager informed Members that some employers attend forums representing several employers, for example one member could represent ten academies.
- learnt that people could opt out of electronic communications by email.
- highlighted 'Cambridgeshire' was incorrectly spelt on the final page of Appendix 1. Officers agreed to correct this – **action required**.

It was unanimously resolved to:

note the Communications Strategy and Plan.

207. Risk Strategy

The Board received the risk strategy and the risk register template which were reviewed as a result of the Pensions Regulator's General Code of Practice. The Governance and Regulations Manager stated the changes were listed at section 6.2 of the report. The Pension Fund Committee would review the risk register at every meeting, compared to twice a year. The new risk register template was included in Appendix 3 and there would be the ability to have a public risk register with a confidential appendix, which was previously requested by Members.

While discussing the report, Members:

- questioned if the Board received the report without the ability to approve actions to mitigate a risk as stated in Appendix 2. The Governance and Regulations Manager stated that the Board would be able to highlight any issues and there would be a mechanism to ensure dialogue between the Board and Committee. It was agreed to review the wording at 10.9 of the Risk Strategy to reflect this – **action required**.
- asked for the roles and responsibility of West Northamptonshire Council (WNC) and Cambridgeshire County Council (CCC) to be clearly stated. Officers agreed to review this – **action required**.

It was unanimously resolved to:

review the Risk Strategy and note the new Risk Register format which came into effect from 1 April 2025.

[The Board adjourned for a short break from 11.59 a.m. to 12.04 p.m.]

208. Payment of Employee and Employer Pension Contribution Policy Review

The Board reviewed Payment of Employee and Employer Pension Contribution Policy. The Investment and Fund Accounting Manager highlighted the changes, as listed in section 3.1 of the report, were to align with the latest General Code of Practice issued by the Pensions Regulator.

The Investment and Fund Accounting Manager informed Members that 99.7% of contributions were received on time.

A Member asked for the roles and responsibilities of WNC and CCC to be clearly defined. Officers agreed to review this – **action required**.

It was resolved unanimously to:

note the changes to the Payment of Employee and Employer Pension Contributions Policy.

209. General Code of Practice Compliance Best Practice

The Board received a report on the compliance of the Cambridgeshire Pension Fund against the General Code of Practice (best practice). The Fund was largely compliant, with one area of partial compliance in relation to risk management. An action plan was included in Appendix 3 and the Board would receive a progress report in Autumn. An annual assessment would be undertaken to ensure the Fund was compliant with the Code.

While discussing the report, Members learnt that the appendices referred to in Appendix 2 linked to the General Code of Practice. Officers agreed to circulate this outside of the meeting – **action required**.

It was resolved unanimously to:

note the best practice compliance check against the General Code of Practice.

210. Pension Fund Annual Report and Statement of Accounts

The Board received the final Annual Report and Statement of Accounts, and the audit findings report for 2023-24. The Annual Report had been approved in November 2024 by the Pension Fund Investment Sub-Committee and the

Statement of Accounts had been approved at the Audit and Accounts Committee in January 2025.

The Investment and Fund Accounting Manager informed Members it was a clean audit which was clear of any material or non-material misstatement and there were no unadjusted items.

The KPMG representative informed Members that the two audit risks were management override of controls and valuation of Cambridge and Counties Bank and no significant issues were identified. Whilst introducing the key accounting estimates, as detailed in Appendix 1, Members learnt that there was an adjustment for Level 3 pooled investment vehicles as the final valuation figures were not available when the financial statements were drafted. Following the figures becoming available, management agreed to adjust the financial statements. Attention was drawn to the other audit risks listed in Appendix 1 and further comment was made on the independence of KPMG.

While discussing the report, Members were reassured that there were no concerns regarding controls, but this was a process improvement point which was raised with management. There were no transactions with related parties.

It was resolved unanimously to:

note the contents of the report.

211. Pensions Dashboard Update

The Board received an update on the progress made by the Fund to connect the Pension Dashboard infrastructure for the deadline of 31 October 2025. The Head of Pensions informed Members that there had already been a connection to the Integrated Service Provider (ISP) console and the next stage was to connect to the Dashboard ecosystem which was expected to be in Summer 2025. The draft matching criteria, attached in Appendix 1, had previously been delayed to undergo user access testing. Data quality improvement work had been undertaken with the Additional Voluntary Contribution (AVC) providers. The Fund had two AVC suppliers, both of whom would send data to the Service, however the software supplier needed to develop a solution on how to hold the data.

While discussing the report, Members:

- noted the draft matching criteria referenced surname and last name. The Head of Pensions stated this was for the situation where a different, or former, surname was retained. It was agreed to clarify the point in the draft policy – **action required**.
- asked for the roles and responsibilities of WNC and CCC to be clearly defined. It was agreed to review this and the potential option of these being clearly defined in each policy – **action required**.

It was resolved unanimously to:

note the contents of the report, including the draft Matching Criteria Policy (appendix 1).

212. Cambridgeshire Pension Fund Board Agenda Plan

While noting the agenda plan, Members:

- were informed that the agenda plan would be populated with the agreed Business Plan activities.
- learnt that a valuation update would be provided at the July meeting.
- acknowledged officers were looking at streamlining reports.
- queried the purpose of receiving items post-scrutiny from the Pension Fund Committee. The Governance and Regulations Manager stated the intention was for the Board to note the report, but any suggested changes could be brought to the attention of the Pension Fund Committee.

213. 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).

214. CONFIDENTIAL Minutes – 7 February 2025

The confidential minutes of the meeting held on 7 February 2025 were approved as a correct record.

215. ACCESS Update - CONFIDENTIAL

The Board received an ACCESS update report.

It was unanimously resolved to:

Note the recommendations as set out in the report.

Chair