

CAMBRIDGESHIRE PENSION FUND

PENSION FUND COMMITTEE

DATE: 8 DECEMBER 2020

REPORT BY: HEAD OF PENSIONS

Subject: ADMINISTRATION STRATEGY REVIEW

Purpose of the Report: To seek approval of amendments to the Administration Strategy.

Recommendations: That the Pension Fund Committee approve the amendments to the Administration Strategy.

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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 An administration strategy already in place has been previously agreed the Pension Fund Committee and is now scheduled for review.
- 1.3 The current version of the strategy is a joint strategy between Cambridgeshire and Northamptonshire Pension Funds, which was the previously preferred approach. The strategy has now been drafted as a separate document for each Fund.
- 1.4 The operating model for shared services between Cambridgeshire and Northamptonshire County Council's was recently reviewed and the decision was taken to decommission the LGSS brand and replace this with a "lead authority" model. All references to LGSS have been removed from the strategy.

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.

3. Review of the Administration Strategy

- 3.1 Appendix 1 provides a track changed version of the administration strategy for approval by the Pension Fund Committee.
- 3.2 The administration strategy has had numerous updates which can be categorised as:
- Removal of references to Northamptonshire Pension Fund
 - Removal of references to LGSS Pensions
 - Minor drafting changes
 - Updates to the wording of the objectives within the strategy to ensure these reflect the latest version of the Fund objectives
 - Updates to KPIs where changes have been previously agreed by the Committee
 - Removal of reference to service level agreements
 - Updates to key activities to reflect current processes
- 3.3 Reference to service level agreements have been removed as these were not taken up by employers as expected.

4. Next steps

- 4.1 Following approval by the Pension Fund Committee the administration strategy will be subject to a 30 day consultation with relevant stakeholders e.g. scheme employers and HR/Payroll data suppliers.
- 4.2 Should the consultation process result in material changes to the Strategy it will be brought to the next available meeting of the Pension Fund Committee for final approval prior to publication. Otherwise, the Strategy will be published immediately following the consultation process.

5. Relevant Pension Fund Objectives

To 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. *Objective no 1)*

To 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. *Objective 3*

To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. *Objective 8*

To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. *Objective 10*

To maintain accurate records and ensure data is protected and used for authorised purposes only. *Objective 11*

To ensure cash flows in to and out of the Fund are timely and of the correct amount. *Objective 16*

6. Finance and Resources Implications

6.1 None

7. Risk Management

7.1 The Administration Strategy sets out the standards that will apply to the administering authority and employers to ensure delivery of a high quality, value for money service to Scheme members.

7.2 The risks associated with making or not making this decision have been captured below.

7.3 A full version of the Fund risk register can be found at the following link
– [Risk Register hyperlink](#)

Risk No	Risk	Residual risk rating
4	Contributions to the Fund are not received on the correct date and/or for the correct amount	Amber
6	Information may not be provided to stakeholders as required	Green
8	Those charged with governance are unable to fulfil their responsibilities effectively	Green
14	Failure to administer the scheme in line with regulations and guidance	Green
26	Incorrect/poor quality data held on the Pension Administration and Payroll platforms leading to incorrect information being provided to members and stakeholders.	Green

8. Communication Implications

Direct Communications: A communication will be issued to inform employers that a draft version of the amended administration strategy has been published for consultation.

Website: The draft administration strategy will be published on the Fund's website

9. Legal Implications

9.1 No immediate legal implications

10. Consultation with Key Advisers

10.1 N/A

11. Alternative Options Considered

11.1 None

12. Appendices

12.1 Appendix 1 – Draft Administration Strategy (Tracked)

Checklist of Key Approvals

Has the Chairman of the Pension Committee been consulted? Councillor Rogers – 23rd November 2020

Has this report been cleared by Legal Services? Fiona McMillan – 13th November 2020

Has this report been cleared by Chief Finance Officer/Section 151 Officer? Sarah Heywood – 23rd November 2020

Has this report been cleared by Head of Pensions? Mark Whitby – 8th November 2020