

# PENSION FUND COMMITTEE



**Thursday, 06 June 2024**

**Democratic and Members' Services**  
Emma Duncan  
Service Director: Legal and Governance

**10:00**

New Shire Hall  
Alconbury Weald  
Huntingdon  
PE28 4YE

**Red Kite Room**  
**New Shire Hall, Alconbury Weald, Huntingdon, PE28 4YE**

## **AGENDA**

**Open to Public and Press**

- 1. Notification of appointment of Chair and Vice Chair**  
*The Annual Council meeting held on 21st May agreed to appoint Councillor Whelan as the Chair and Councillor Black as the Vice Chair for the Municipal Year 2024-25*
- 2. Apologies for absence and declarations of Interest**
- 3. Public minutes of the Committee meeting held 28th March 2024 and Action Log** **5 - 16**
- 4. Petitions and Public Questions**
- 5. Administration Performance Report** **17 - 30**
- 6. Governance and Compliance Report** **31 - 56**
- 7. Admissions and Cessations Report** **57 - 66**

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|------------|--|------------------|
| <b>8.</b>  | <b>Pension Fund Annual Business Plan Update report 2024-25</b>   | <b>67 - 88</b>   |
| <b>9.</b>  | <b>Cambridgeshire Pension Fund Administration Strategy</b>   | <b>89 - 150</b>  |
| <b>10.</b> | <b>Cambridgeshire Pension Fund Equality, Diversity and Inclusion (EDI) approach</b>  | <b>151 - 162</b> |
| <b>11.</b> | <b>Cambridgeshire Pension Fund Committee Forward Agenda Plan</b>   | <b>163 - 166</b> |
| <b>12.</b> | <b>Exclusion of Press and Public</b>   |                  |
|            | <i>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)</i> |                  |
| <b>13.</b> | <b>Confidential minutes of the Committee meeting held 28th March 2024</b>  |                  |
|            | <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |                  |
| <b>14.</b> | <b>Cambridgeshire Pension Fund Risk Monitoring</b>   |                  |
|            | <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |                  |
| <b>15.</b> | <b>ACCESS Update</b>   |                  |
|            | <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |                  |

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Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting [Democratic Services](#) no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution: [Procedure Rules hyperlink](#)

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*The Pension Fund Committee comprises the following members:*

Councillor Alison Whelan (Chair) Councillor Mike Black (Vice-Chair) Councillor Chris Boden Liz Brennan Councillor Lara Davenport-Ray Mr Howard Nelson and Mr Matthew Pink Councillor Henry Batchelor Councillor Adela Costello Councillor Peter McDonald Councillor Alan Sharp

Clerk Name:	Dawn Cave
Clerk Telephone:	01223 699178
Clerk Email:	dawn.cave@cambridgeshire.gov.uk



## Public minutes of the Pension Fund Committee

Date: 28<sup>th</sup> March 2024

Time: 10:00am – 11.55am

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors M Black (Vice Chair), A Costello, N Gay, P McDonald, A Whelan (Chair); Fenland District Councillor Chris Boden

Officers: B Barlow, C Blose, D Cave, S Heywood (virtual), M Hudson, M Oakensen and M Whitby; S Scott (Hymans)

### 173. Apologies for absence and declarations of Interest

Apologies were received from Liz Brennan, Matthew Pink, Howard Nelson and Cllr Sanderson.

There were no declarations of interest.

### 174. Public minutes of the Pension Fund Committee meeting held 20<sup>th</sup> December 2023 and Action Log

The public minutes of the Pension Fund Committee meeting held on 20<sup>th</sup> December 2023 were approved as a correct record.

The Action Log was noted.

### 175. Petitions and Public Questions

There were no petitions or public questions.

### 176. Administration Performance Report

The Committee considered a report which set out a number of key areas of administration performance in the period 1<sup>st</sup> November 2023 to 31<sup>st</sup> January 2024.

In December the Committee had agreed to increase the target for the payment of retirement benefits from active employment from 5 to 10 working days, and this KPI was now Green. It was noted that there was still an issue with the retirement estimates, due to payment of benefits being prioritised. The sickness level quoted in report was excessively high, which also impacted on the KPIs. Those sickness absences were being monitored through performance monitoring and sickness management processes, and it was

anticipated that improvements in this area would be reflected in KPIs. There were also two vacant positions at Operations team, and the team generally was quite inexperienced.

The Fund was one of the first to be reporting Customer Journey KPIs. Where the Fund had automated processes in place, there was a high degree of control and confidence in the figures provided, but there was less certainty where the figures were provided by Employers. The Committee noted the Dependants KPI was currently awaiting the creation of a new process, and there was a delay in the Pension Sharing Order KPI.

With regard to late payment of employer contributions, it was noted that the employer cited in Appendix 4 had now paid the December payment, but there had also been an issue with the January 2024 payment. This Employer was being closely monitored.

With regard to the five-year limit to the refund of contribution payments, it was noted that an amendment to legislation was still expected, but that DLUHC had advised that this was unlikely before 2025.

A Member noted that quite often not achieving KPIs was due to an employers' failure to provide information within the required timeframe, or where an employer failed to pay on time or provide a schedule. Were there any Employers who were particularly recalcitrant, and were there consequences for failing to do so? Officers advised that the funding team had processes in place, and they contacted Employers at the earliest possible opportunity when issues arose. There was also a Late Payment of Contributions Policy in place, which outlined the point at which consideration would be given to reporting Employers to The Pensions Regulator: this was late payments for three consecutive months, or late payments for any three months within a six month period, which would trigger at least a report to Committee. Employers had been fined and reported in the past to The Pensions Regulator. As part of the KPI supplementary reporting, officers aim was to analyse behaviour patterns and deliver extra support to Employers, and several different approaches can be used. It was also noted that as part of the new Administration Strategy, there would be emphasis on how some of that late data was received, attempting to identify employers where there were issues.

A Member asked if some employers may be unaware of all of their duties, such as the type of questions they should be asking their employees at the termination stage, and whether support could be provided in this regard. Officers advised that the issue was usually awareness with larger employers, where the line manager was separate to HR/Payroll. Members often did not realise they needed a discussion with their employer to retire. The new website attempted to address this, setting out the activities required by all parties. There were also systemic issues with some of the large, automated payroll systems that some employers use, and officers discussed that with them to ensure that that information comes through correctly and on time.

It was unanimously resolved to note the Administration Performance Report.

## 177. Governance and Compliance Report

Members received a report on governance issues concerning the Local Government Pension Scheme (LGPS) on a national and local basis, and also details of forthcoming training events.

The DWP had recently released a Ministerial Statement which included the staging timeline for public service pension schemes, confirming that all schemes needed to be connected to the Pension Dashboard by 31 October 2025 at the latest. A significant amount of testing would need to be undertaken to ensure that everything was in place before the 31 October 2026 statutory connection deadline, and the project plan was being updated in line with LGA guidance. For every decision made in connection with the Dashboard, it was important to demonstrate how those decisions were made. Two key Business Plan activities related to the Dashboard were the procurement of the ISP and ensuring all system work and records were as up to date as possible.

DHLUC had started a closed consultation on draft McCloud statutory guidance, and the Cambridgeshire Fund had been selected to respond on a regional basis. The intention was to support administering authorities by providing a consistent approach. The consultation would close on 12<sup>th</sup> April.

The General Code of Practice (previously Code of Practice no 14 came into force on 27<sup>th</sup> March 2024. This was a complex, very detailed document, covering mandatory items as well as best practice. The previous Code 14 in place was specific to public service, whereas not all parts of the General Code were applicable to the Fund. Hymans, as new Governance advisers, had developed a new compliance tool to support this process. Because the General Code was a consolidation of previous Codes, it was not expected that there would be significant new areas of work that needed addressing. Work had already been undertaken on a number of key areas such as cyber resilience and scam awareness. Once the compliance review had been completed, the outcomes would be reported to the next meeting of the Pension Fund Committee, along with a high level action plan.

Members were reminded that they had until 20<sup>th</sup> July 2024 to complete their mandatory online training, and the Risk Monitoring training needed to be undertaken as a matter of urgency. New Members had twelve months from the day of their appointment to complete training.

A Member noted an anecdotal suggestion in the report that some Muslim members may be withdrawing from the Fund for religious reasons, following a report commissioned by SAB. Robust advice had been provided, but there was no evidence to indicate whether or not this was happening. It was suggested that this data should be collated, for Muslims and individuals of other religious faiths. Officers confirmed that nothing had been done to date,

but one of Business Plan items was for the Fund to review EDI principles, reviewing issues such as member communications. A Member commented that with any kind of EDI, it was usually only those who were facing discrimination who had the best understanding of discrimination. Most discrimination was about perception and it was important that the Committee took this into consideration.

It was unanimously resolved to:

- 1) note the Governance and Compliance Report;
- 2) note the immaterial amendments to be applied to policies and strategies (section 9).

## 178. Employer Admissions and Cessations Report

Members received a report on the admission of six admitted bodies and the cessation of one body. It was noted that there was no discretion over admitting these bodies, and there was no exit payment or credit associated with the cessation. The report also provided an update on previous cessations.

In response to a question on the right of a previously reported cessation body to appeal the nil exit credit, it was confirmed that they had up to six months to appeal, and two months had already elapsed.

It was resolved unanimously to:

1. note the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:
  - Aspens Services Limited (Castle Camps Primary School)
  - Caterlink (Sir Harry Smith Community College)
  - Churchill Catering Limited (Meridian Trust)
  - Lunchtime Company Limited (Hardwick & Cambourne Community Primary School)
  - OCS Food Co Limited x 2
  - RCCN Limited (Astrea Multi Academy Trust)
2. note the cessation of the following body from the Cambridgeshire Pension Fund:
  - TNS Catering Limited
3. note the update on previously reported cessations relating to:
  - Compass Contract Services Limited (Innovate Multi Academy Trust)



179. Cambridgeshire Pension Fund – Business Plan and Medium-Term Strategy 2024-25

Members considered the Pension Fund’s Business Plan and Medium-Term Strategy for 2024-25, and an update on the previous year’s Business Plan activities.

Members noted that for 2023-24 Business Plan, there were four Amber activities. With regard to the website, this was always expected to be launched in 2024-25, and the test website would be available shortly. The delay in the test west website being available was due to resourcing issues experienced by the outsourced contractor.

The following activities were highlighted in the 2024-25 Business Plan:

- The Pension Dashboard programme: work had been undertaken to revise project plans following the reset nationally;
- For the Pension Dashboard ISP (Integrated Service Provider) procurement, the intention was that the new software provider would also be the ISP provider. This had not yet been finalised as the reset led to delays. This would be achieved through a variation of contract to include ISP services;
- There was a decision to extend the Mercer contract, which had been transferred over to new Business Plan;
- Multiple investment strategies would be revisited during the year: the Committee had previously agreed not to progress with this, but it had been agreed at the time to revisit to assess whether the market had changed;
- There was a proposal to add 2-3 junior posts, but most additional staff costs related to uplift to salary growth/increments. This additional resource had the approval of both CCC and WNC Section 151 Officers. The budget did include a vacancy factor of 4.5% of staff costs i.e. the establishment was greater than salary costs, which was standard practice;
- It was proposed to sign up to “Pensions for Purpose”. There was no cost, but the Fund’s name would be added to their member directory.

In response to a Member question, it was confirmed that the combined staffing complement for the Cambridgeshire and Northamptonshire Pension Funds was 91/92 FTEs. The Cambridgeshire Pension Fund, having more members than Northamptonshire, accounted for just over half of that, i.e. between 45-50 FTEs. The Member observed that the request for additional staff would increase that complement by around 5%, and asked if there had been any Member overview in that process. It was noted that the Committee would ultimately decide whether to approve this increase, through the Business Plan, but that the draft reports were scrutinised by both Statutory Officers and the Committee Chair and Vice Chair prior to publication. The Chair was satisfied with the request to increase the staffing complement, given the pressures on the team and the need for the team to meet statutory requirements. The Member commented that they were not comfortable with the process and asked if there could be a more robust examination of the business case beforehand, including comparative data with other pension schemes. Officers commented that relevant CIPFA benchmarking statistics indicated that the Cambridgeshire Fund was around the

median, and this information could be shared with Committee. Action required. It was confirmed that these posts had been discussed in advance with the Cambridgeshire Finance team. The Chair commented that ensuring that the Fund had the right resources in place was not just about headcount but about those individuals having the right skills and experience.

There was a discussion on the EDI issues relating to Sharia Law/potential discrimination, and the importance of aligning with the County Council's EDI work. It was noted that EDI training had been identified, and an action plan would be considered at the next Committee meeting, and was also being considered at the Local Pension Board. It was also suggested that EDI needed to be updated to include Equity, noting that there were some groups with protected characteristics.

A Member expressed concern about the high number of undecided leavers records, specifically whether the backlog was being addressed and reduced going forward. It was noted that a case was regarded as "aged" when it was over six months old. The team was under pressure in terms of dealing with these cases as well as other issues coming forward, such as McCloud.

It was resolved unanimously to:

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

## 180. Communication Plan

Members considered an updated Communications Plan for 2024-25, detailing the communications activities to be undertaken within the scheme year, including statutory planned activities and significant user testing. Key communications activities were outlined.

In response to a Member question, officers outlined the types of useful information that arose from the Satisfaction Survey, which provided indicators of where further actions or changes to processes may be required.

It was resolved unanimously to approve the communications plan.

## 181. UK Stewardship Code 2020 Submission

Members noted that the Fund had produced a draft Stewardship Report (at Appendix A) to enable a submission to be made to the Financial Reporting Council (FRC) at the end of May, for the Fund to become a signatory to the UK Stewardship Code 2020 (“the Code”).

Becoming a Code signatory would be a further signal of the importance that the Fund places on its responsible stewardship duties as an asset owner. Members noted that many applicants were unsuccessful on their first submission.

It was resolved unanimously to:

- a) approve the draft Stewardship Report (at Appendix A);
- b) approve the submission of a Stewardship Report to the Financial Reporting Council by the 31 May 2024 deadline;
- c) request the Head of Pensions finalise the Stewardship Report in advance of the deadline in consultation with the Chair of the Committee

## 182. Cashflow Projections Report

The Committee received a report which provided a summary of the Cashflow Projections produced by the Fund’s Actuary. A presentation was given by Hymans Robertson, the Fund’s actuarial and governance advisors.

A negative cashflow position was a natural part of a maturing Fund lifecycle. Fund assets have been building up for the purpose of paying benefits, and at some stage the value of contributions received would be less than the value of benefit payments, leading to a negative cashflow position. The key issue was that this was monitored and managed effectively, so that the Fund was not forced to sell assets at an inopportune time, but could plan and manage the sales of assets. Based on current projections, the Cambridgeshire Fund was expected to become cashflow negative in 2030, but any unexpected changes could alter that position, which was why monitoring was important. Factors such as high levels of inflation impacted on future pension payments and therefore cashflow, and the report set out different inflation scenarios. Other factors which impacted on cashflow were pension contributions, which were assumed to be fairly steady going forwards, but cuts to local government could result in total contributions declining.

Arising from the report, it was noted that:

- the cashflow positive/negative position was unrelated to the funding position, which remained very strong;
- in a high inflation scenario, a cashflow negative position would occur sooner;

- the importance of monitoring the cashflow position, especially alongside the 2025 valuation;
- significant pension inflation was not expected going forward, and that would be reflected in future analyses;
- future funding, especially for schools, was not looking stable, and it was likely that membership may fall significantly over coming years, and this would accelerate the move to a cashflow negative position, requiring the Fund to review how it generated income from assets.

A number of Members stressed the need for the Fund to be alert to events that could impact negatively on cashflow e.g. high inflation, pandemic, international relations/war, exchange rates, on more than an annual basis, so there were “early warnings” of possible negative cashflow. Officers reassured the Committee that statements were reviewed and cash flow forecasting was completed on a daily basis, and they were very vigilant to these issues, as well as being very sensitive to membership levels. There was a discussion around potential further changes to the State retirement age, noting that this was taken into consideration, as many scheme members retired when they reached State pension age.

A Member observed that there was a tendency for young people to spend less time in jobs, i.e. not stay in a position for the long term. Officers confirmed that reductions in membership were considered as part of the valuation process.

It was resolved unanimously to note the contents of the report.

### 183. Cambridgeshire Pension Committee Forward Agenda Plan

Members noted that the Agenda Plan would be updated to reflect business plan activities for next year.

It was resolved to note the Committee Agenda Plan.

### 184. Exclusion of Press and Public

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

### 185. Cambridgeshire Pension Fund – Additional Contribution Provider Update

The Committee received a report on the progress against the actions identified as part of the administration and investment performance review.

It was resolved unanimously to approve the report recommendations.

186. ACCESS Update

Members received a report on the latest asset pooling update to the Pension Fund Committee.

It was resolved unanimously to note the report.

187. Confidential Minutes of the Pension Fund Committee held 20<sup>th</sup> December 2023

The confidential minutes of the Pension Fund Committee held 20<sup>th</sup> December 2023 were approved as an accurate record.



This log captures the actions from the Pension Fund Committee of the 28 March 2024 together with any carried forward items from previous meetings and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 24/05/2024.

Actions from 28 March 2024 meeting of the Pension Fund Committee

Item No.	Item	Action to be taken by	Issue	Action/Status															
179.	Cambridgeshire Pension Fund – Business Plan and Medium-Term Strategy 2024-25	Mark Whitby	It has been agreed for the CIPFA benchmarking statistics to be included in the next Committee update, this request relates to the 5% increase in staffing that has been presented to the committee for approval.	<p>Staff costs are including in Admin Costs in the CIPFA benchmarking analysis below for 2022-23. Other components of Management Expenses have been included as there can be variation between the categorisation of activity across Funds e.g. where activity is being provided in-house vs outsourced.</p> <table border="1"> <thead> <tr> <th>Pension Fund</th> <th>Admin Costs</th> <th>Oversight &amp; Governance Expenses</th> <th>Investment Mgt Expenses</th> <th>Total LGPS Mgt Expenses</th> </tr> </thead> <tbody> <tr> <td>Cambs</td> <td>£27.93</td> <td>£15.76</td> <td>£240.33</td> <td>£284.02</td> </tr> <tr> <td>Average</td> <td>£35.76</td> <td>£18.23</td> <td>£279.83</td> <td>£333.82</td> </tr> </tbody> </table>	Pension Fund	Admin Costs	Oversight & Governance Expenses	Investment Mgt Expenses	Total LGPS Mgt Expenses	Cambs	£27.93	£15.76	£240.33	£284.02	Average	£35.76	£18.23	£279.83	£333.82
Pension Fund	Admin Costs	Oversight & Governance Expenses	Investment Mgt Expenses	Total LGPS Mgt Expenses															
Cambs	£27.93	£15.76	£240.33	£284.02															
Average	£35.76	£18.23	£279.83	£333.82															
185.	Cambridgeshire Pension Fund – Additional Contribution Provider Update	Michelle Oakensen	Officers agreed to review the issue of Section 112 compliance in regards to the new Prudential HSBC Islamic Global Equity Index Fund available, officers also need to ensure that proper communications are issued to members.	In progress – seeking further clarification.															

Actions from 28 December 2023 meeting of the Pension Fund Committee

<b>Item No.</b>	<b>Item</b>	<b>Action to be taken by</b>	<b>Issue</b>	<b>Action/Status</b>
160.	Administration Performance Report	Michelle Oakensen	It has been agreed that the next KPI update will provide insight on the outliers i.e. the maximum time an individual application could take following concerns that some cases might be significantly delayed.	Completed. Included in the Administration Report.

Outstanding actions from 30 March 2023 meeting of the Pension Fund Committee

<b>Item No.</b>	<b>Item</b>	<b>Action to be taken by</b>	<b>Issue</b>	<b>Action/Status</b>
115	Managed Exits	Cory Blose	Approval to enter into Debt Spreading Arrangements (DSA's) with two employers were approved by the Committee on the condition that further legal advice was obtained over the ability and appropriateness of obtaining alternative types of security not already considered by officers. Officers advised that they would take further legal advice and report back to the Chair of the Committee for final approval.	Completed: Following further legal advice obtained by officers, the chair approved a proposal to place a restriction on the legal title of the school property which alerts potential buyers to the outstanding debt and would only be lifted upon payment. The employer would be expected to provide assurance to the buyer of how the restriction will be satisfied.



# Cambridgeshire Pension Fund

Pension Fund Committee

6 June 2024

Report by: Head of Pensions

Subject: Administration Performance Report

Purpose of the Report: To present the Administration Performance Report to the Pension Fund Committee for the period 1 February to 31 March 2024.

Recommendations The Pension Fund Committee is asked to note the Administration Performance Report

Enquiries to: Michelle Oakensen, Governance and Regulations Manager  
[michelle.oakensen@westnorthants.gov.uk](mailto:michelle.oakensen@westnorthants.gov.uk)

## 1. Background

1.1 One of the core functions of the Pension Fund Committee is to ensure the effective and efficient governance and administration of the scheme. This report demonstrates a number of key areas of administration performance for consideration by the Pension Fund Committee.

## 2. Executive Summary

- 2.1 This report sets out the performance of the Cambridgeshire Pension Fund on the following areas of administration:
- 2.2 The achievement against the Key Performance Indicators for the period 1 February to 31 March 2024. For the period 10 of the 14 KPI targets were achieved, with 2 red and 2 amber (sections 3.1-3.9 & appendix 1).
- 2.3 Progress on the development of the Customer Journey Key Performance Indicators (sections 3.10-3.12 & appendix 2).
- 2.4 Timeliness of receipt of employee and employer pension contributions for the period 1 March 2023 to 29 February 2024, 99.9% of payments were received on time (sections 3.13-3.16 & appendix 3). Details of any late payments are detailed in appendix 4 (**exempt**).
- 2.5 One employer failed to pay the agreed secondary contribution rate as per the published rates and adjustments certificate (sections 3.17-3.18). Details of the outstanding payment are detailed in appendix 5 (**exempt**).
- 2.6 Occurrences of breaches of the law for the period 1 February to 31 March 2024. There were no material breaches in the period (sections 3.19 – 3.20).
- 2.7 Details of any Internal Dispute Resolution Procedure cases during the period 1 February to 31 March 2024. There was one stage 1 administering authority dispute raised and no stage 2 determination made (sections 3.21 – 3.25).
- 2.8 Occurrences of material data breaches for the period of 1 February to 31 March 2024. There were no material data breaches for the period (section 3.26).

2.9 Details of any significant overpayment of pension for the period 1 February to 31 March 2024. There were no significant overpayments for the period (section 3.27).

### 3. Key Performance Indicators

#### Pension Service performance against Key Performance Indicators

- 3.1 The Pension Committee has in place a set of key performance indicators (KPIs) to assess the performance of the Pensions Service in the delivery of key items of casework. The actual performance against these KPIs for the period 1 February to 31 March 2024 can be found in appendix 1 along with the explanations for any underperformance.
- 3.2 Over the 2-month period, 10 of the 14 KPI targets have been met.
- 3.3 Targets were missed for awarding dependant benefits in February due to two cases where the notification letter has been finalised late and one case where delays occurred at checking stage. These issues have been raised within the team to prevent recurrence.
- 3.4 The target for providing an estimate of benefits has been missed for both February and March. Following on from previous months high levels of sickness, the team are now focusing on working through any unprocessed estimates, although progress will be impacted by any ongoing resourcing issues and the need to prioritise benefits coming into payment. Estimates is the only area of red KPI targets over the reporting period.
- 3.5 In March the target for notifying employees retiring from active membership of benefits award has been missed due to three cases being delayed at the checking stage due to higher than anticipated sickness levels, vacancies and inexperience within the team.
- 3.6 Sickness levels are being addressed through absence management procedures. Performance is expected to improve by the end of the financial year once the training requirements reduce at both officer and team leader level and skills and experience are embedded within the team, supplemented by increased multi-skilling. The additional resource approved by the Pension Committee as part of the Business Plan in March 2024 will also ultimately help to alleviate pressure within the Operations area but will potentially create additional training pressures in the short-term.

#### Key Performance Indicator outliers (1 October 2023 to 31 March 2024)

- 3.7 In December the Committee approved the revised target for awarding retirement benefits from active employment from 5 working days to 10 working days. The Committee also requested additional information on the parameters of the outliers for context.
- 3.8 For the period 1 October 2023 to 31 March 2024 the total number of outliers was 35 which ranged from 2 days to 43 days. These outliers decreased from 31 cases for the period 1 October to 31 December 2023 to 4 cases for the period 1 January to 31 March 2024.
- 3.9 During the 6-month period the majority of cases were processed within 10 days after the target date. Only 5 cases were more than 28 working days overdue, all prior to January 2024.

#### Development of the Customer Journey Performance Indicators

- 3.10 Progress has been made on some areas of reporting with the new data encompassing the administration and employer performance as well as any delays from members.
- 3.11 The new supplementary KPI information can be found in Appendix 2.
- 3.12 Once the reporting has been expanded, the intention is to analyse any lower than desired performance and target communications and interventions appropriately.

## Receipt of Employee and Employer Contributions

- 3.13 Employers in the Fund have a statutory obligation to arrange for the correct deduction of employee and employer contributions and to ensure payment reaches the Pension Fund by the 19th of the month following the month of deduction. They must also provide an associated monthly statement/schedule in a format acceptable to the Administering Authority.
- 3.14 The table in appendix 3 shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions and/or submitted their schedules on time or late for the period 1 March 2023 to 28 February 2024.
- 3.15 For January and February, 99.8% of contribution payments were received on time. The current yearly average for payments made on time is 99.9% and schedules being received on time is 99.5%.
- 3.16 Details of late contribution payments can be found in appendix 4 (**exempt**).
- 3.17 The secondary contribution rate as published in the rates and adjustment certificate is an adjustment to the primary contribution rate, generally to reflect costs associated with benefits that have already been earned up to the valuation date. One employer has failed to pay the agreed secondary contribution rate for the period 2017 to 2023.
- 3.18 Details of outstanding secondary contribution payments are detailed in appendix 5. (**exempt**)

## Breaches of the Law

- 3.19 There are various laws relating to the Local Government Pension Scheme, with various individuals, including the Pension Fund Board, having a statutory duty to report material breaches of the law to the Regulator. The Cambridgeshire Pension Fund maintains a record of both material breaches that are reported to the Pensions Regulator as well breaches that are deemed not to be of material significance and so are not reported to the Pensions Regulator.
- 3.20 For the period 1 February to 31 March 2024, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non-Material Breaches	3 refund of contribution payments were paid outside of the statutory 5-year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the 5-year requirement.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be found in Appendix 3.

## Internal Dispute Resolution Procedure

- 3.21 Members, prospective members, and beneficiaries may not always agree with pension decisions that are made or may be unhappy that decisions have not been made, by either an administering authority or a scheme employer. The Internal Dispute Resolution Procedure (IDRP) is the route by which they may raise their concerns and challenge such decisions.
- 3.22 The following table details activity undertaken during the period 1 February to 31 March 2024

with regards to administering authority disputes.

3.23 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date Received	Date Decision Due	Stage 1 Decision: Upheld/not upheld/partially upheld	Date of Decision
Survivor's pension and subsequent trivial commutation paid in error. Survivor disputing requirement for repayment.	28/03/2024	27/05/2024		In progress

3.24 Stage 2 disputes: None

3.25 In the period 1 February to 31 March 2024 no new employing authority disputes were raised and/or responded.

Material Data Breaches

3.26 None.

Significant overpayments of pension

3.27 None.

4. Relevant Pension Fund Objectives

Has 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 1*

Manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2*

Ensures the relevant stakeholders responsible for managing, governing and administering the Fund, understands its' roles and responsibilities and has the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. *Objective 3*

Continually monitors and measure clearly articulated objectives through business planning *Objective 4*

Continually monitors and manages risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

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

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

## 5. Risk Management

- 5.1 The Fund's Administration Strategy sets out the performance standards of both the scheme employer and the administering authority. The Pension Fund Committee and Pension Fund Board are expected to monitor performance standards through information contained within the Administration Report which is presented at each meeting.
- 5.2 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Information may not be provided to stakeholders as required.	Green
Those charged with governance are unable to fulfil their responsibilities effectively	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green

- 5.3 The Fund's risk register can be found on the Pensions website at the following link: [Key documents \(CCC\) - Cambridgeshire and Northamptonshire LGPS \(westnorthants.gov.uk\)](https://www.westnorthants.gov.uk/key-documents-ccc-cambridgeshire-and-northamptonshire-lgps)

## 6. Communication Implications

Direct communications: The Fund publishes performance against the key performance indicators in the regular reports to the Pension Fund Committee and Pension Fund Board and in the Fund's Annual Report.

Employers of the Fund are guided through the admission process and directly kept up to date with requirements and progress.

Members who enter the Internal Dispute Resolution Procedure are kept informed of progress within the statutory timescales

## 7. Finance & Resources Implications

- 7.1 None.

## 8. Legal Implications

- 8.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.
- 8.2 With all IDRPs complaints there is a risk that a complaint may be raised with the Pensions Ombudsman.

## 9. Consultation with Key Advisers

- 9.1 Squire Patton Boggs conducted a review of the paper for legal implications with no material issues raised.

## 10. Alternative Options Considered

- 10.1 Not applicable

## 11. Background Papers

- 11.1 Not applicable

## 12. Appendices

- 12.1 Appendix 1 Key Performance Indicators.
- 12.2 Appendix 2 Development of Key Performance Indicators during 2023/2024.
- 12.3 Appendix 3 Receipt of Employee and Employer Contributions.
- 12.4 Appendix 4 Details of late contribution payments – exempt.
- 12.5 Appendix 5 Outstanding payment of secondary contribution rate– exempt.

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 23/05/2024

Has this report been cleared by Head of Pensions? Mark Whitby – 30/04/2024

Has this report been cleared by Monitoring Officer? Emma Duncan – 21/05/2024

Appendix 1 – Pension Service Key Performance Indicators for February and March 2024

Function/Task	Indicator	Target	Month	Completed	Within Target	Over Target	% Within Target	RAG	Comments
Notify leavers of deferred benefit entitlement	Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information.	90%	February March	164 190	153 186	11 4	93 98	Green Green	SLA target met SLA target met
Payment of retirement benefits from active employment	Notify employees retiring from active membership of benefits award, from date payable or date of receiving all necessary information if later within 10 working days (from January, previously 5).	95%	February March	35 44	34 41	1 3	97 93	Green Amber	SLA target met SLA target not met*
Payment of pension benefits from deferred membership status	Notify members retiring from deferred membership status of benefits award, from date payable or date of receiving all necessary information if later within 10 working days.	90%	February March	67 55	61 54	6 1	91 98	Green Green	SLA target met SLA target met
Award dependant benefits	Issue award within 5 working days of receiving all necessary information.	95%	February March	23 34	20 34	3 0	87 100	Amber Green	SLA target not met* SLA target met

Appendix 1 – Pension Service Key Performance Indicators for February and March 2024

Function/Task	Indicator	Target	Month	Completed	Within Target	Over Target	% Within Target	RAG	Comments
Provide a maximum of one estimate of benefits to employees per year on request	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	February	66	34	32	52	Red	SLA target not met*
			March	41	27	14	66	Red	SLA target not met*
Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information.	95%	February	32	32	0	100	Green	SLA target met
			March	35	34	1	97	Green	SLA target met
Payment of transfer out	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	February	22	22	0	100	Green	SLA target met
			March	23	22	1	96	Green	SLA target met

Targets were missed for awarding dependant benefits in February due to two cases where the notification letters has been finalised late and one case where delays occurred at checking stage. The team has been impacted by higher than anticipated sickness levels, vacancies and experience within the team. This has been raised within the team to prevent recurrence.

The target for proving an estimate of benefits has been missed for both February and March. Following on from previous months high levels of sickness, the team are now focusing on working through the backlog that has been created. The clearance of the backlog has been impacted by continued higher than anticipated sickness levels, vacancies and experience within the team.

In March the target for notifying employees retiring from active membership of their benefit award has been missed due to three cases being delayed at the checking stage due to the resourcing issues highlighted above.

- Green: Equal to or above Service Level Agreement (SLA) target.
- Amber: Below SLA target, but number completed within target is within 10% of the SLA target.
- Red: Below SLA target and number completed within target is not within 10% of the SLA target.



Appendix 2 – Customer Journey Key Performance Indicators (statutory) for the Period 1 February to 31 March 2024

Function/Task	Indicator	Month	% Within Target	Comments
Provide basic scheme information to new joiners.	2 months from date of joining or member's request.	February March	86 60	The Pension Service is 100% within target for meeting the SLA of 2 months from the record being created on Altair which is dependent upon the receipt of the employer i-connect file  Reasons why the cases would not be completed within the statutory target are <sup>1</sup> : <ul style="list-style-type: none"> <li>• Arrears of pay resulting from a late agreed pay award.</li> <li>• Notifications of new starters received from employers within monthly i-connect files where the member's start date was already more than 2 months ago.</li> <li>• Payroll provider changes.</li> </ul>
Provide transfer details for transfer in.	2 months from date of request.	February March	27 49	Reasons why the cases would not be completed within the statutory target are <sup>2</sup> : <ul style="list-style-type: none"> <li>• Interfund in - Further information is required from the previous LGPS pension fund &amp; volume of cases in this area.</li> <li>• Transfer in – Further information is required from the member, the previous scheme, or the employer.</li> </ul>
Provide details of transfer value for transfer out.	3 months from date of request.	February March	65 62	Reasons why the cases would not be completed within the statutory target are <sup>3</sup> : <ul style="list-style-type: none"> <li>• Interfund out - Further information is required from the employer prior to finalising the deferred benefit.</li> <li>• Transfer out – Further information is required from the employer prior to finalising the deferred benefit.</li> </ul>

<sup>1</sup> Reports are being developed to identify any arrears of pay cases in advance, the software provider is investigating solutions to identify new starter records that are created as a result of arrears as soon as the data is received on the system.

<sup>2</sup> An investigation into whether automated reporting can be developed to carry out the analysis required without any manual intervention is currently being undertaken. We aim to have the reporting developed for the first quarter of 2024/25.

<sup>3</sup> An investigation into whether automated reporting can be developed to carry out the analysis required without any manual intervention is currently being undertaken. We aim to have the reporting developed for the first quarter of 2024/25.

Appendix 2 – Customer Journey Key Performance Indicators (statutory) for the Period 1 February to 31 March 2024

Function/Task	Indicator	Month	% Within Target	Comments
Provide a CETV quotation for divorce purposes.	Within 3 months of the request (or shorter deadline as specified in a court order).	February March	50 75	In February and March, the performance was below target due to the clearance of the backlog relating to McCloud. Certain cases were previously placed on hold awaiting the new guidance from LGA, this has been released at the end of January allowing for older cases to be processed.
Inform members who leave the scheme before retirement age of their rights and options.	As soon as practical and no more than 2 months of leaving.	February March	43 65	Complexities in the way data is received and processed means that the reporting for this KPI needs developing to be able to establish the correct apportion between employer and pension service failures.  Reasons that KPIs may not be in target is due to arrears of pay, late notification of leavers, payroll provider changes and processing times.
Inform members who leave the scheme at or after retirement age of the benefits due.	Within 2 months of retirement date where the member <b>retires before</b> normal pension age.	February March	71 52	Multiple factors contribute to the member experience for this indicator, this includes the type of information required (e.g. leavers details, certificates, forms) and the party responsible for supplying the information (employer, payroll provider, member). There is also the processing time required for the administrator to issue the award once all the information is received.  In February, within the 29% outside of target, 80% of the failures were due to employer delays.  In March, within the 48% outside of target, 58% of the failures were due to employer delays.  Analysis will be undertaken, and any persistent trends addressed accordingly. Any information received which does not allow the Pension Service 10 working days to process in line with SLA targets is classified as an employer failure.
Inform members who leave the scheme at or after retirement	Within 1 month of retirement date where the member <b>retires on or</b>	February March	25 33	Multiple factors contribute to the member experience for this indicator, this includes the type of information required (e.g. leavers details, certificates, forms) and the party responsible for supplying the information (employer,

Appendix 2 – Customer Journey Key Performance Indicators (statutory) for the Period 1 February to 31 March 2024

Function/Task	Indicator	Month	% Within Target	Comments
age of the benefits due.	<b>after normal pension age.</b>			<p>payroll provider, member). There is also the processing time required for the administrator once all the information is received.</p> <p>In February within the 75% outside target, 89% was due to delays from the employer.</p> <p>In March, within the 67% outside of target, 60% was due to delays from the employer.</p> <p>Analysis will be undertaken, and any persistent trends addressed accordingly. Any information received which does not allow the Pension Service 10 working days to process in line with SLA targets is classified as an employer failure.</p>
Calculate and notify dependant(s) of amount of death benefits.	As soon as possible, but in any event no more than 2 months of date or becoming aware of death.			A new death process is due to be created to enable reporting on this KPI. This is not currently possible as a separate task is set up on the member and the dependant.
Notify implementation information after receiving a pension sharing order (and no outstanding information)	Within 21 days of the later of, the date of receipt of the pension sharing order or the day on which the order takes affect or the date of receipt of the relevant documents / information.			This KPI still needs to be developed for the small number of cases that are completed in a year. No pension sharing orders have been processed in February or March 2024.



Appendix 3- Receipt of Employee and Employer Contributions

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
March 2023	100	0	100	0
April 2023	100	0	100	0
May 2023	100	0	100	0
June 2023	100	0	100	0
July 2023	99.8	0.2	97	3
August 2023	100	0	100	0
September 2023	99.6	0.4	99.8	0.2
October 2023	100	0	99.8	0.2
November 2023	100	0	98.9	1.1
December 2023	99.8	0.2	99.8	0.2
January 2024	99.8	0.2	99.8	0.2
February 2024	99.8	0.2	99.8	0.2
Average for period	99.9	0.1	99.5	0.5



Cambridgeshire  
Pension Fund

Pension Fund Committee

6 June 2024

Report by: Head of Pensions

Subject: Governance and Compliance Report

Purpose of the Report: To provide the Pension Fund Committee with information on:

- 1) Pensions Dashboards (3.1-3.5)
- 2) McCloud (3.6-3.8)
- 3) Scheme Advisory Board (3.9-3.15)
- 4) The Pensions Regulator (3.16-3.24)
- 5) Skills and knowledge opportunities (3.25-3.28)

Recommendations: The Pension Fund Committee is asked to:

1. Note the Governance and Compliance Report.
2. Note the immaterial amendments and updates to policies and strategies (sections 3.29-3.31).

Enquiries to: [Michelle Oakensen, Governance and Regulations Manager  
michelle.oakensen@westnorthants.gov.uk](mailto:michelle.oakensen@westnorthants.gov.uk)

## 1. Background.

1.1 This is a standing report that identifies issues concerning the governance of the Local Government Pension Scheme (LGPS) and potential, new, amending and overriding legislation that will have an impact on how the Scheme is managed and on members' benefits.

## 2. Executive Summary.

2.1 This report provides the Pension Fund Committee with information on the following significant current issues which have an impact on the governance, management and administration of the Cambridgeshire Pension Fund.

- Pensions Dashboards
- McCloud
- Scheme Advisory Board
- The Pensions Regulator
- Skills and knowledge opportunities

2.2 The report also provides details of any proposed immaterial amendments to be made to policies or strategies as a result of Officer reviews.

### 3. Current updates

#### Pensions Dashboards

##### Pension Dashboard Programme

- 3.1 The Department for Work and Pensions (DWP) has issued a written ministerial statement providing an update on the publication of connection guidance which includes the new staging timeline for connecting to pensions dashboards. The ministerial statement can be found [here](#) and the connection guidance [here](#).
- 3.2 The statement explains that following the amended Pensions Dashboards Regulations 2023 and new connection deadline of 31 October 2026, the supporting guidance will detail when pension providers and schemes are expected to connect to dashboards, which will start from April 2025. The Pension Dashboards Regulations 2023 can be found [here](#).
- 3.3 The timetable prioritises connection of the largest pension schemes and providers, so that crucial user testing can quickly take place at scale, with the first cohort expected to have completed connection by the end of April 2025. Whilst the timetable is not mandatory, it is a legal requirement that trustees, or managers of occupational pension schemes and providers of personal and stakeholder pensions have regard to this guidance.
- 3.4 The secretary of State for Work and Pensions published the guidance setting out a staged timetable for connection on 25 March 2024 confirming that all schemes and providers in scope are legally required to be connected to the pensions dashboards ecosystem and be ready to respond to requests for pensions information by 31 October 2026 at the latest.
- 3.5 All public service pension schemes need to connect by 31 October 2025 and the Cambridgeshire Pension Fund will be working to this confirmed date.

#### McCloud

##### McCloud implementation guidance consultation

- 3.6 Draft statutory guidance regarding the implementation of the McCloud in the LGPS has been circulated by DLUHC which sought views from of the Local Government Pensions Committee, members of the LGPS scheme advisory board, representatives of LGPS administrators, representatives of fund actuaries, and LGPS pensions administration software suppliers.
- 3.7 The aim of the document is to provide guidance on a number of areas that would benefit from additional guidance when implementing the remedy. The guidance is intended to support administering authorities by achieving a consistent application of the remedy and providing guidance on how technical issues should be approached.
- 3.8 The closing date for responses was 12 April 2024 and the Cambridgeshire Pension Fund responded through the Regional Group.

#### Scheme Advisory Board

##### Annual Report Guidance

- 3.9 A workstream was established to review the 2019 guidance and identify changes required to streamline the current guidance and bring it up to date and draft guidance was approved by both the SAB's Compliance and Reporting Committee (CRC) and the Chartered Institute of Public Finance and Accountancy Public Finance Management Board in February 2024.
- 3.10 The guidance will apply to 2023/24 annual reports which are due for publication by 1 December 2024 and later years. It is acknowledged it may be a challenge to report on all the new requirements for the 2023/24 reporting year, as changes to the recording and reporting of data may take time to implement. The guidance says pension funds should



use their best endeavours to comply fully with the requirements but exercise judgement where, because of changes to the previous content, to do so would require disproportionate effort or cost.

## Funding Strategy Statement (FSS) Guidance

- 3.11 The annual report guidance is close to completion and the CRC has agreed its next priority will be to revise the FSS guidance. This was last updated in 2016 and the aim is to create content in relation to:
- setting up of academies on conversion
  - use of employer flexibilities and deferred debt arrangements
  - employer representations around asset strategies and partial terminations
  - treatment of exit debts and credits
  - consultation with employers.

## Economic Activity of Public Bodies (Overseas Matters) Bill

- 3.12 Ahead of the second reading debate on the Bill in the House of Lords on 20 February 2024, the Local Government Association published a further briefing on the Economic Activity of Public Bodies (Overseas Matters) Bill. The briefing includes matters raised in previous briefings for the House of Commons and suggested some amendments that the LGA would support. The Bill can be found [here](#).

## Gender Pensions Gap

- 3.13 The Gender Pensions Gap working group met for the third time on 13 February 2024. It continued to explore what practical actions can be taken to address the underlying issues contributing to the pensions gap identified by the Government Actuary's Department (GAD) in the SAB commissioned reports.
- 3.14 As part of the four actions explored by the group, the SAB secretariat and LGA Workforce team will put on a virtual event for local government human resources (HR) professionals on 9 May 2024. The aim of the event is to improve awareness amongst HR practitioners, discuss what best practice already exists amongst employers and encourage them to review the information and pension communications available for their staff at key life points.
- 3.15 There was also a post in the LGA's Workforce blog in March 2024 and the publication of a frequently asked questions document to support administering authorities and employers to ensure members are able to make informed choices about their pensions throughout their working career, during key life events.

## The Pensions Regulator

### General Code of Practice update

- 3.16 The Department for Work and Pensions (DWP) laid The Pensions Act 2004 (General Code of Practice) (Appointed Day, Amendment and Revocations) Order 2024 on 26 March 2024.
- 3.17 The Order appointed 28 March 2024 as the day for the coming into effect of TPR General Code of Practice. The General Code of Practice was laid before Parliament in January 2024 and replaces Code of Practice 14 for public service pension schemes and brings together ten previous codes into one.

## Trustee diversity and inclusion survey

- 3.18 TPR published the results of its first trustee diversity and inclusion survey on 19 March 2024.

- 3.19 Conducted from July to August 2023, the survey garnered responses from 2,197 trustees and public service pension scheme board members.
- 3.20 The survey confirms that trustees / pension board members are less diverse than the overall population. The results establish a baseline to measure progress towards ensuring high standards of diversity and inclusion on pension boards.
- 3.21 The survey was circulated to the Cambridgeshire Pension Board on 27 July 2023.
- 3.22 The results of the survey can be found [here](#).

**Speech on the growing role of TPR**

- 3.23 Nausicaa Delfas, the Chief Executive of TPR, delivered a speech at the recent JP Morgan Pensions and Savings Symposium. The speech looked at the evolving landscape of the pensions industry and the growing role of TPR.
- 3.24 The full speech can be found [here](#).

**Skills and knowledge opportunities**

- 3.25 The Public Services Pensions Act 2013 and the Pensions Regulator’s Code of Practice (Governance and administration of public service pension schemes) require all members of the Pension Fund Committee to maintain the necessary skills and knowledge to undertake their role effectively.
- 3.26 In addition, in order to facilitate the acquisition of skills and knowledge for members of the Pension Fund Committee, appendix 2 lists the main events that are deemed useful and appropriate.
- 3.27 If members of the Pension Fund Committee would like to attend any of the events listed in appendix 2, please contact a member of the Fund’s governance team who will make the necessary arrangements if an invitation has not already been sent.
- 3.28 The Training Strategy was approved at the July meeting of the Pension Committee and members have until 20 July 2024 to complete the mandatory training modules on the Online Training Platform. A copy of the Training Strategy can be found here for reference.

**Cambridgeshire Pension Fund Policy/Strategy updates.**

- 3.29 In March 2023 the Pension Fund Committee agreed for all policies and strategies to be reviewed by the Committee on a three-year cycle (unless stated otherwise) with Officer reviews to be conducted on an annual basis or as deemed necessary.
- 3.30 For the period the following non material amendments are due to be applied:

Policy/Strategy	Review reason	Amendments made
Reporting breaches of the Law to the Pensions Regulator Policy	Annual review due	A comprehensive review has been undertaken, the following amendments to the Policy are recommended: 1) All references to Code of Practice no 14 have been replaced with General Code of Practice. 2) A section has been added on ‘Reporting payment failures’. 3) Additional detail and clarity has been included throughout the Policy. 4) The non-urgent material breaches section has

		<p>been updated to confirm they should be reported to the Regulator within 10 days.</p> <p>5) More comprehensive decision tree included in Appendix 1.</p> <p>6) Contact details of the Pensions Regulator have been updated.</p> <p>Due to the volume of changes, a tracked change version has been included in Appendix 2.</p>
Administering Authority Discretions	Annual review due	<p>A high-level review has been undertaken and the policy remains fit for purpose. Outdated website links have been amended.</p> <p>Further clarification is required on employer strain cost recharges and McCloud compensation (awaiting guidance), if amendments are required, they will be updated at the earliest opportunity.</p> <p>The Policy will receive a comprehensive review at the next review point which will also be in line with the EDI action plan.</p>
The payment of Employee and Employer Contributions Policy	Annual review due	<p>A high-level review has been undertaken and the policy remains fit for purpose.</p> <p>An amendment has been made to allow the Head of Pensions discretion on whether to report late/non-payments to the Pensions Regulator due to immateriality.</p> <p>The breaches log has been referenced and an update to confirm that the Committee/Board will be updated at the next available meeting.</p>

3.31 The below table provides an update of upcoming reviews:

Policy/Strategy	Review reason	Comments/amendments made
Admissions and Cessation Policy	Annual review due	This review has been delayed pending approval of the Administration Strategy. If the Administration Strategy is approved at this meeting the Policy will be reviewed and reported at the October Committee meeting.
Cessations Policy	Annual review due	This review has been delayed pending approval of the Administration Strategy. If the Administration Strategy is approved at this meeting the Policy will be reviewed and reported at the October Committee meeting.
Overpayment of Entitlement Policy	Annual review due	This review has been delayed due to need to simultaneously look into debt recovery processes. The current policy is fit for purpose and contains the expectations with regards to the recovery of overpayments, but more time is required to address scenarios where recovery is not achieved. The Policy will be reviewed and reported at the October Committee meeting.

Anti-Fraud and Corruption Policy	Annual review due	This review has been delayed to fully look into issues that have been highlighted through business-as-usual activities. These issues include verification of members who have no fixed abode, unclaimed pensions and verification of documentation. The Policy will be reviewed and reported at the October Committee meeting.
Risk Strategy	Annual review due	A high-level review has been undertaken and has highlighted that a full review needs to be undertaken with Fund's governance advisors to ensure the new risk section of the Code of Practice have been fully considered and incorporated. A full Committee review is due December 2025, but we will be bringing this forward to the end of 2024 due to the new Code of Practice and to reflect our evolved Fund approach (the Strategy was first put in place 2016).

#### 4. Relevant Pension Fund Objectives.

Has 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 1.*

Manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2.*

Ensures 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 continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5.*

#### 5. Risk Management

5.1 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below –

Risk.	Residual risk rating
Those charged with governance are unable to fulfil their responsibilities effectively.	Green
Failure to administer the scheme in line with regulations and guidance.	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making.	Green

5.2 The Fund's risk register can be found on the Pensions website: [Cambridgeshire Pension Fund Risk Register](#).

#### 6. Communication Implications

- 6.1 Training - All staff involved in the administration of the LGPS are aware of how any new developments impact on the calculation and payment of benefits from the scheme.
- 6.2 Employers - All relevant items are communicated to scheme employers via website updates.
- 7. Finance & Resources Implications.
  - 7.1 There are no financial and resource implications associated with this report.
- 8. Legal Implications.
  - 8.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.
  - 8.2 Implications may arise if the Fund is not compliant with the relevant legislation linked to the activities within this report.
- 9. Consultation with Key Advisers.
  - 9.1 The LGPS Online Learning Academy is a Hymans product.
  - 9.2 Squire Patton Boggs conducted a review of the paper for legal implications.
- 10. Alternative Options Considered.
  - 10.1 Not applicable.
- 11. Background Papers.
  - 11.1 None.
- 12. Appendices.
  - 12.1 Appendix 1 Skills and Knowledge training schedule.
  - 12.2 Appendix 2 Reporting breaches of the Law to the Pensions Regulator Policy

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer?

Sarah Heywood – 23/05/2024

Has this report been cleared by Head of Pensions?

Mark Whitby – 26/04/2024

Has this report been cleared by Monitoring Officer?

Emma Duncan – 21/05/2024



**Training plan 2024**

Date	Training	Method of delivery	Delivered by	Target audience	Additional Information
June	Local Authority Conference 2024	Conference – face to face	Pension and Lifetime Savings Association (PLSA)	Committee, Board & Officer	11-13 June 2024 <a href="#">Local Authority Conference   PLSA</a>
	ACCESS Investor Day		Waystone		26 June (1 Wimpole Street, London)
July	Equality, Diversity and Inclusion (EDI)	TBC – face to face	TBC	Committee, Board & Officers	TBC
August	None				
September	Investment and Pensions Summit	Conference	Local Government Chronicle (LGC)	Committee, Board & Officer	12-13 September at the Eastside Rooms, Birmingham
October	None				
November	ACCESS Investor Day	Conference	Waystone	Committee & Officer	TBC
December	Annual Conference 2024	Conference	Local Authority Pension Fund Forum (LAPFF)	Committee, Board & Officer	TBC
January	Governance Conference	Conference – hybrid	Local Government Association (LGA)	Committee, Board & Officer	30 - 31 January 2025 in Bournemouth





Reporting Breaches of the  
Law to the Pensions  
Regulator Policy  
2024

Deleted: 2022



West  
Northamptonshire  
Council



Cambridgeshire  
County Council

Administered in partnership

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## 1. Introduction

1.1 This is the Reporting Breaches of the Law to the Pension Regulator Policy of Cambridgeshire Pension Fund managed by Cambridgeshire County Council (the Administering Authority).

1.2 In March 2024 the Pensions Regulator (the Regulator) published its General Code of Practice. The Code refers both to statutory duty as well as advisory and practitioners have a duty to follow the Code in reporting breaches of the law.

1.3 There are many and various laws relating to the Local Government Pension Scheme, with many and various people having a statutory duty to report material breaches of the law to the Regulator. To assist, the Code states that a procedure should be established to ensure that those with a responsibility to make reports are able to meet their legal obligations. This document is that procedure, which relates to all of the Fund's areas of operation.

## 2. Policy Objectives

2.1 The Funds' objectives related to this policy are as follows:

- 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.
- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

## 3. Purpose of the Policy

3.1 The purpose of the policy is to –

- Ensure individuals have the correct understanding and necessary skills to be able to identify and report breaches as they arise.
- Ensure that stakeholders of the Fund are given appropriate information in order to understand the consequences of a breach and
- Ensure adequate procedures are in place to fully comply with the Code of Practice.

## 4. Effective date

4.1 This policy was first approved by the Pension Committee on 22 October 2015 and has been subject to the following reviews:

Date of review	Effective Date	Type of review
October 2018	October 2018	<u>Committee Review</u>
October 2022	October 2022	<u>Committee Review</u>
<u>March 2024</u>	<u>March 2024</u>	<u>Full Officer Review</u>

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5. **Review**

5.1 This Policy on Reporting Breaches of the Law to the Pensions Regulator will be reviewed by the Pension Fund Committee every three years, and if necessary, more frequently to ensure it remains accurate and relevant. Officer reviews will be conducted on an annual basis.

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6. **Scope**

6.1 The policy applies to:

- officers of the Fund
- members of the Pension Committee
- members of the Pension Board
- employers of the Fund
- service providers
- relevant stakeholders and
- professional advisors.

7. **Legal Requirements**

7.1 Individuals (as identified in paragraph 6) are required to report breaches of the law to the Regulator where they have reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with and
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions.

8. **Reasonable Cause to Believe**

8.1 Having 'reasonable cause' to believe that a breach has occurred means more than merely having a suspicion that cannot be substantiated.

8.2 Checks need to be made in order to ensure a breach has occurred and that the report is not made on suspicion alone. If an individual does not feel they can be 100% certain of a breach it would be prudent to discuss the case with a senior colleague or advisor to the Fund, however if the suspicion is around theft, fraud or other serious offences where discussions may alert the those implicated or impede the actions of the police or a regulatory authority, the reporter should go to the Regulator directly and at the earliest opportunity.

8.3 In establishing whether there is reasonable cause to believe that a breach has occurred, it is not necessary for the reporter to gather all the evidence which the Regulator may require before taking legal action particularly if it is a significantly material breach. A delay in reporting may exacerbate or increase the risk of the breach.

8.4 If the reporter is unclear about the relevant legal provision, they should clarify their understanding of the law to the extent necessary to form a view.

9. **Material Significance**

9.1 By law, any breaches must be reports to the Pension Regulator if they are likely to be of 'material significance' to the Regulator.

9.2 In deciding whether a breach is likely to be of material significance to the Regulator, it would be advisable for the reporter to consider the:

9.3 Cause of the breach – e.g. dishonesty, negligence, ineffective controls resulting in deficient administration, poor governance, slow or inappropriate decision-making practices, incomplete or inaccurate information, acting or failing to act in contravention of the law;

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cause

9.4 Effect of the breach - does the nature of the breach lead to an increased likelihood of further material breaches. Is it likely to cause, for example:

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- A significant proportion of members, or a significant proportion of members of a particular category of membership, are affected by the breach.
- The breach has a significant effect on the benefits being paid or to be paid.
- The breach, or series of unrelated breaches, have a pattern of recurrence in relation to participating employers, certain members, or groups of members.
- Governing bodies that do not have the appropriate degree of knowledge and understanding, preventing them from fulfilling their roles and resulting in the scheme not being properly governed and administered and/or breaching other legal requirements.
- Unmanaged conflicts of interest within the governing body, making it prejudiced in the way it carries out the role, ineffective governance and scheme administration, and/or breaches of legal requirements.
- Systems of governance (where applicable) and/or internal controls are not established or operated. This leads to schemes not being run in line with their governing documents and other legal requirements.
- Risks are not properly identified and managed and/or the right money is not being paid to or by the scheme at the right time.
- Accurate information about benefits and scheme administration is not being provided to scheme members and others meaning members are unable to effectively plan or make decisions about their retirement.
- Records are not being maintained. This results in member benefits being calculated incorrectly and/or not being paid to the right person at the right time.
- Governing bodies or anyone associated with the scheme misappropriate scheme assets or are likely to do so.  
Trustees of defined benefit schemes not complying with requirements of the Pension Protection Fund during an assessment period.

9.5 Reaction to the breach - e.g. taking prompt and effective action to resolve a breach, notifying scheme members where appropriate and;

9.6 The wider implications of the breach - e.g. where a breach has occurred due to lack of knowledge or poor systems and processes making it more likely that other breaches will emerge in the future; where other schemes may be affected, for example schemes administer by the same organisation where a system failure has caused the breach;

9.7 When deciding whether to report, those responsible should consider these points together. Reporters should take into account expert or professional advice, where appropriate, when deciding whether the breach is likely to be of material significance to the Regulator.

9.8 When deciding whether a breach is of material significance, those responsible should consider other reported and unreported breaches of which they are aware. However, historical information should be considered with care, particularly if changes have been made to address previously identified problems.

9.9 The decision tree provides a “traffic light” system of categorising an identified breach and has been provided by the Regulator in the form of additional guidance:

**Green** – not caused by dishonesty, poor governance or a deliberate contravention of the law and its effect is not significant and a plan is in place to rectify the situation. In such cases the breach may not be reported to the Regulator but should be recorded in the Pension Services breaches log

**Amber** – does not fall easily into either green or red and requires further investigation in order to determine what action to take. Consideration of other recorded breaches may also be relevant in determining the most appropriate course of action. The Head of Pensions will need to decide whether to informally alert the Regulator of the breach or likely breach, formally reporting the breach if it is subsequently decided to categorise the breach as red.

**Red** - caused by dishonesty, poor governance or a deliberate contravention of the law and having a significant impact, even where a plan is in place to rectify the situation. The Head of Pensions must ensure all such breaches are reported to the Regulator in all cases

It should be noted that failure to report a significant breach or likely breach is likely, in itself, to be a significant breach.

9.10 Cambridgeshire Pension Fund will use the Pension Regulators traffic light framework as a means of identifying whether any breach is to be considered as materially significant and a reportable event.

9.11 Once a breach or likely breach has been identified, regardless of whether it needs to be reported to the Regulator, the Governance and Regulations Manager, in consultation with the Head of Pensions must review the circumstances of the breach in order to understand why it occurred, the consequences of the breach and agree the corrective measures required to prevent re-occurrence, including an action plan where necessary.

9.12 Significant breaches must also be reported to the Section 151 officer and Chair of the Pension Committee and Local Pension Board, or in the absence of the Chair, the respective Vice Chair, and full details are to be submitted at the next available meeting. A decision tree should be used as a tool for determining whether a breach is significant, (Appendix 1)

9.13 Reporters need to take care to consider the effects of the breach, including any other breaches occurring as a result of the initial breach and the effects of those resulting breaches.

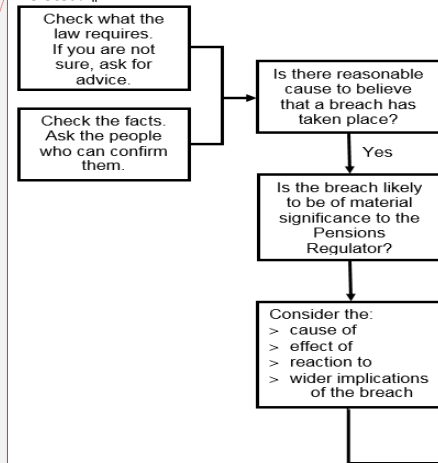
9.14 Where prompt and effective action is taken to investigate and correct the breach and its causes and, where appropriate, notify any affected members, the Pensions Regulator will not normally consider this to be materially significant.

9.15 A breach is likely to be of concern and material significance to the Pensions Regulator where a breach has been identified and those involved:

- do not take prompt and effective action to remedy the breach and identify and tackle its cause in order to minimise risk of recurrence
- are not pursuing corrective action to a proper conclusion and
- fail to notify affected scheme members where it would have been appropriate to do so.

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## 10. Guidance on reporting a breach to the Pensions Regulator

- 10.1 Before submitting a report responsible officers should obtain clarification of the law around the suspected breach via an appropriate method. A judgement would need to be made on whether the Regulator would regard the breach as being material.
- 10.2 Some matters could be urgent, if for example a fraud is imminent, whilst others will be less so. Non-urgent but material breaches should be reported to the Regulator within **10** working days of them being confirmed, and in the same time breaches that are not material should be recorded.
- 10.3 Some breaches could be so serious that they must always be reported, for example a theft of funds by anyone involved with the administration or management of the Fund. It is difficult to be definitive about what constitutes a breach that must always be reported, as a rule of thumb if a breach may lead to criminal prosecution or a serious loss in public confidence it is deemed that this type of breach that must always be reported.
- 10.4 The preferred methods of reporting for the Cambridgeshire Pension Fund are via the Pensions Regulator exchange portal or via email, however, reports can also be submitted by post.
- 10.5 Any report that is made (which must be in writing and made as soon as reasonably practicable) should be dated and include as a minimum:
- full name of the Fund
  - description of the breach or breaches
  - any relevant dates
  - name of the employer or scheme manager (where known)
  - name, position and contact details of the reporter and
  - role of the reporter in relation to the Fund
  - reason the reporter believes the breach is of material significance to us
  - address of the scheme
  - type of scheme – whether occupational (defined benefit, defined contribution, or hybrid), personal or public service
  - name and contact details of the governing body (if different to the scheme address)
  - pension scheme registration (PSR) number if known
  - Address of the employer
- 10.6 Reporters should mark urgent reports as such and draw attention to matters they consider particularly serious. They can precede a written report with a telephone call, if the matter requires an urgent acknowledgement to ensure it will be dealt with promptly.
- 10.7 Reporters should ensure they receive an acknowledgement for any report they send to the Regulator. Only when they receive an acknowledgement can the reporter be confident that the Regulator has received their report.
- 10.8 The Regulator will acknowledge all reports within five working days of receipt; however it will not generally keep the reporter informed of the steps taken in response to a report of a breach as there are restrictions on the information it can disclose. The reporter should provide further information or reports of further breaches if this may help the Regulator to exercise its functions. The Regulator may make contact to request further information.

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Additional information that would assist the Pensions Regulator would include, the ...

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- 10.9 Breaches should be reported as soon as reasonably practicable, which will depend on the circumstances. In particular, the time taken should reflect the seriousness of the suspected breach.
- 10.10 In cases of immediate risk to the Fund, for instance, where there is any indication of dishonesty, the Regulator does not expect reporters to seek an explanation or to assess the effectiveness of proposed remedies. They should only make such immediate checks as are necessary. The more serious the potential breach and its consequences, the more urgently reporters should make these necessary checks. In cases of potential dishonesty, the reporter should avoid, where possible, checks which might alert those implicated. In serious cases, reporters should use the quickest means possible to alert the Regulator to the breach.

10.11 Where multiple reporters wish to submit a collective report, the reporting procedure should allow for the evaluation of breaches as described in the General Code of Practice. The report should be made as soon as reasonably practicable.

## 11. Process for reporting and recording material and non-material breaches within Cambridgeshire Pension Fund

11.1 The following table details the process for reporting material and non-material breaches –

Type of Breach	Timescale for reporting	Internal actions	Further actions
<b>Urgent and Material</b>	Responsible officer informs Head of Pensions and Governance team, the breach is reported immediately to the Pensions Regulator.	Governance team to keep record of breach and investigate options to prevent further occurrence. The Governance team will also liaise with the Pension Regulator where applicable to come to a satisfactory resolution.	These breaches must also be reported to the Section 151 Officer, Chairs of both the Pension Committee and <u>Local</u> Pension Board, with full details to be submitted at the next available meeting for members.
<b>Non urgent and material</b>	Responsible officer informs Head of Pensions and Governance team, the breach is reported within <u>10</u> days to the Pensions Regulator.	Governance team to keep record of breach and investigate options to prevent further occurrence.	Report non urgent and material breach at next Pension Committee/Pension Board meeting.
<b>Immaterial</b>	Responsible officer informs Head of Pensions and governance team within <u>14</u> days.	Governance team to keep record of breach and investigate options to prevent further occurrence.	Report immaterial breach at next Pension Committee/Pension Board meeting.

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## 12. The Pensions Regulator's response to a report of a breach of the law

The Regulator has discretion over whether to take action and if so what action to take. The decision will depend upon the breach and the circumstances surrounding it. There are a number of measures the Regulator can take, including the following –

- assisting or instructing the Fund to achieve compliance
- providing education or guidance
- imposing fines where appropriate

## 13. Failure to report

13.1 Failure to comply with the obligation imposed by the requirement to report breaches of the law without 'reasonable excuse' is a civil offence. In order to establish whether the reporter has a reasonable excuse for not reporting as required or for reporting later than expected, the Regulator will look at the following factors –

- the legislation, case law, the General Code of Practice and associated guidance
- the role of the reporter in relation to the scheme
- the training provided to the individual, and the level of knowledge it would be reasonable to expect the individual to have
- the procedures put in place to identify and evaluate breaches and whether the procedures have been adhered to
- the seriousness of the breach
- any reasons for the delay in reporting

13.2 If a civil penalty is being considered, directly affected parties will receive a warning notice identifying the alleged breach and specifying the relevant function. The Regulator in addition may find it appropriate to make a complaint to the Administering Authority.

## 14. Whistleblowing protection and confidentiality

14.1 The Pensions Act 2004 makes clear that the statutory duty to report overrides any other duties the reporter may have such as confidentiality and that any such duty is not breached by making a report. The Regulator understands the potential impact of a report on relationships, for example, between an employee and their employer.

14.2 The statutory duty to report does not, however, override legal privilege. This means that oral and written communications between a professional legal adviser and their client, or a person representing that client, while obtaining legal advice, do not have to be disclosed. Where appropriate a legal adviser will be able to provide further information on this.

14.3 The Regulator will do its best to protect the reporter's identity (if desired) and will not disclose the information except where lawfully required to do so. It will take all reasonable steps to maintain confidentiality, but it cannot give any categorical assurances as the circumstances may mean that disclosure of the reporter's identity becomes unavoidable in law. This includes circumstances where the regulator is ordered by a court to disclose it.

14.4 The Employment Rights Act 1996 (ERA) provides protection for employees making a whistle blowing disclosure to the regulator. Consequently, where individuals employed by firms or another organisation having a statutory duty to report disagree with a decision not to report to the regulator, they may have protection under the ERA if they make an individual report in good faith. The Regulator expects such individual reports to be rare and confined to the most serious cases.

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In all cases, the Regulator expects reporters to act conscientiously and honestly, and to take account of expert or professional advice where appropriate.

## 15. Reporting Payment failures

### Duty to report

15.1 Where contributions are not paid on time, and the governing body<sup>1</sup> or another party with a duty to report has reasonable cause to believe that the payment failure is likely to be of material significance to us, they should send a written report of the matter to The Pension Regulator.

15.2 The legal requirements to report late payments of employee and/or employer contributions is imposed on the trustees and scheme managers of the scheme.

15.3 Reports should be made to the Pension Regulator within 14 days of the trustees having reasonable cause to believe that the material payment failure exists. Members should be notified in 30 days of the report being made to the Pension Regulator.

15.4 Payment failures that are likely to be of material significance include:

- where governing bodies have reasonable cause to believe that the employer is neither willing nor able to pay contributions
- where there is a payment failure involving possible dishonesty or a misuse of assets or contributions
- where the information available to the governing body indicates that the employer is knowingly concerned with fraudulently evading their obligation to pay employee contributions
- where the governing body becomes aware that the employer does not have adequate procedures or systems in place to ensure the correct and timely payment of contributions due and the employer does not appear to be taking adequate steps to remedy the situation
- any event where contributions have been outstanding for 90 days from the due date

## 16. Training

16.1 The Head of Pensions will ensure that all relevant Officers, Pension Committee members and Local Pension Board members receive relevant signposting to this policy and provide appropriate training as required.

## 17. Contact details

17.1 The Pensions Regulator  
Telecom House  
125-135 Preston Road  
Brighton  
BN1 6AF  
0345 6000707  
report@tpr.gov.uk

Mark Whitby  
Head of Pensions  
One Angel Square  
Angel Street  
NN1 1ED  
[mark.whitby@westnorthants.gov.uk](mailto:mark.whitby@westnorthants.gov.uk)

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## 18. Further guidance

Section 70(1) and 70(2) of the Pensions Act 2004: [www.legislation.gov.uk/ukpga/2004/35/contents](http://www.legislation.gov.uk/ukpga/2004/35/contents)

Employment Rights Act 1996:

[www.legislation.gov.uk/ukpga/1996/18/contents](http://www.legislation.gov.uk/ukpga/1996/18/contents)

Occupational and Personal Pension Schemes (Disclosure of Information)  
Regulations 2013 (Disclosure Regulations):

[www.legislation.gov.uk/uksi/2013/2734/contents/made](http://www.legislation.gov.uk/uksi/2013/2734/contents/made)

Public Service Pension Schemes Act 2013:

[www.legislation.gov.uk/ukpga/2013/25/contents](http://www.legislation.gov.uk/ukpga/2013/25/contents)

Local Government Pension Scheme Regulations (various):

<http://www.lgpsregs.org/timelineregs/Default.html> (pre 2014 schemes)

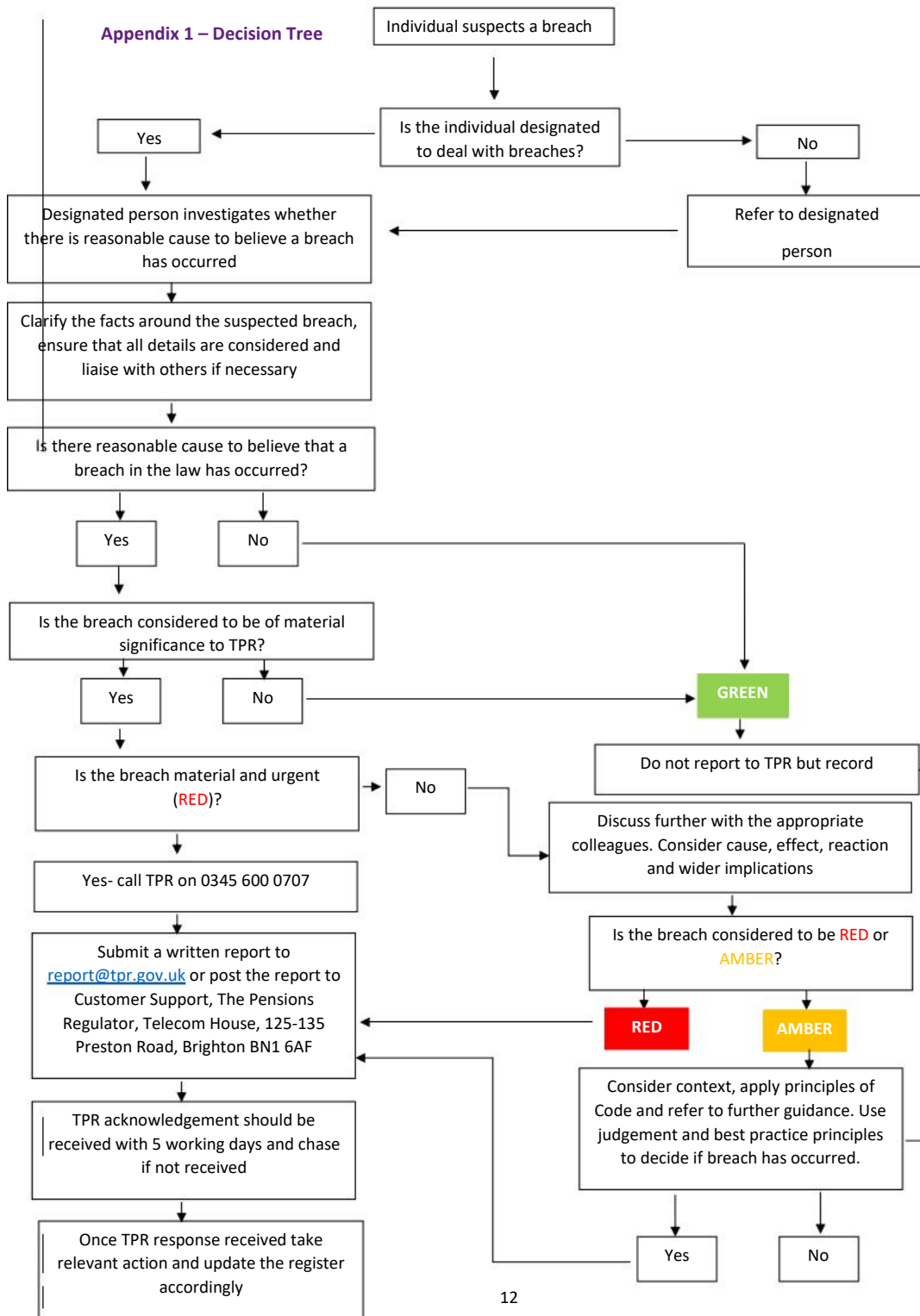
<http://www.lgpsregs.org/index.php/regs-legislation> (2014 scheme)

The Pensions Regulator's Code of Practice:

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/general-code-laid-january-2024.ashx>

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**Appendix 1 – Decision Tree**



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## **Appendix 2 - Examples of breaches, but not limited to -**

### **Example 1**

An employer is late in paying over employee and employer contributions, and so late that it is in breach of the statutory period for making such payments. It is contacted by officers from the administering authority, it immediately pays the moneys that are overdue, and it improves its procedures so that in future contributions are paid over on time. In this instance there has been a breach but members have not been adversely affected and the employer has put its house in order regarding future payments. The breach is therefore not material to the Regulator and need not be reported.

### **Example 2**

A large employer is late in submitting its statutory year-end return of pay and contributions in respect of each of its active members and as such it is in breach. Despite repeated reminders it still does not supply its year-end return. Because the administering authority does not have the year-end data it is unable to supply, by 31 August, annual benefit statements to the employer's members. In this instance there has been a breach which *is* relevant to the Regulator, in part because of the employer's failures, in part because of the enforced breach by the administering authority, and also because members are being denied their annual benefits statements.

### **Example 3**

A member of the Pension Committee owns a property; a report is made about a possible investment by the Fund, in the same area in which the member's property is situated. The member supports the investment but does not declare an interest and is later found to have materially benefitted when the Fund's investment proceeds. In this case a material breach has arisen, not because of the conflict of interest, but rather because the conflict was not reported.

### **Example 4**

A pension overpayment is discovered and thus the administering authority has failed to pay the right amounts to the right person at the right time. A breach has therefore occurred. The overpayment is however for a modest amount and the pensioner could not have known that (s) he was being overpaid. The overpayment is therefore waived. In this case there is no need to report the breach as it is not material.

### **Example 5**

Several overpayments are discovered and thus the administering authority has failed to pay the right amounts to the individuals concerned due to a process failure. The administering authority has failed to put a process in place to avoid reoccurrence and the combined amount is significant. In this instance there has been a breach which *is* relevant to the Regulator, in part because of the authority's failure to implement a new/improved process and in part because of the enforced breach by the administering authority.

### Appendix 3 - Examples of Scheme Disclosures

Any deadline not achieved under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 is classed as a breach of the law, it is the responsibility of Cambridgeshire Pension Fund to assess whether these are likely to be of material significance to the Pensions Regulator.

The table below sets out some of the key disclosure requirements that schemes must satisfy so that they do not breach the disclosure regulations –

Information	Requirement
Provision of basic scheme information to a prospective member	Within one month of the scheme receiving their job holder information. If no such information has been received, within two months of them joining the scheme.
Provision of scheme's annual report	Within two months of the request being received.
Benefit statements for benefits other than Defined Contribution	Within two months of the request being received.
Provision of summary funding statements	Within a reasonable period (normally three months) after the last date on which the scheme is legally required to obtain an actuarial valuation.
Provision of information on death of a member	Within two months of the scheme being notified of the death.
Rights and options to be provided to early leavers	Within 2 months after being notified by the member or their employer that active membership has ceased.

**Appendix 4 - Other matters that are likely to be of material significance to the Pensions Regulator**

The below table demonstrates matters that the Pension Regulator is likely to deem of material significance in regard to Cambridgeshire Pension Fund meeting its statutory objectives –

Pension Committee and Pension Board members not having the appropriate degree of knowledge and understanding, which may result in the Committee/Board not fulfilling its role, the Fund not being properly governed and administered.
Pension Committee and Pension Board members having a conflict of interest, which may result in them being prejudiced in the way that they carry out their role.
Adequate internal controls not being established and operated, which may lead to the Fund not being run in accordance with the Scheme’s Regulations and other legal requirements, risks not being properly identified and managed and/or the right money not being paid to or by the Fund at the right time.
Accurate information about benefits and Scheme administration not being provided to Scheme members and others, which may result in members not being able to effectively plan or make decisions about their retirement.
Appropriate records not being maintained, which may result in member benefits being calculated incorrectly and/or not being paid to the right person at the right time.
Anyone involved with the administration or management of the Fund misappropriating any of its assets, or being likely to do so, which may result in assets not being safeguarded.
Any other breach which may result in the Fund being poorly governed, managed or administered.





Cambridgeshire  
Pension Fund

Pension Fund Committee

6 June 2024

Report by: Head of Pensions

- Subject: Employer Admissions and Cessations Report
- Purpose of the Report: 1. To report the admission of three admitted bodies to the Cambridgeshire Pension Fund.  
2. To notify the Committee of ten bodies ceasing participation in the Cambridgeshire Pension Fund.  
3. To update on previously reported cessations
- Recommendations: That the Pension Fund Committee
1. Notes the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements:
    - Aspens Services Limited (Queen Emma Primary School & Queen Edith Primary School)
    - Taylor Shaw Limited (Ernulf Academy)
    - Kids R Us Out of School Club Limited (Meridian Trust)
  2. Notes the cessation of the following bodies from the Cambridgeshire Pension Fund:
    - Wimblington Parish Council
    - Clarion Housing Association Limited
    - GPC Skills Limited
    - VHS Cleaning Services Ltd x 4
    - OCS Food Co Limited (Ditchburn Place)
    - Avocet Cleaning Services (St Bede's Inter-Church School)
    - Taylor Shaw Limited (Ernulf Academy)
  3. Notes the update on previously reported cessations relating to:
    - Sanctuary Housing Group
    - Kimbolton School
    - Cross Keys Homes
- Enquiries to: Name – Cory Blöse, Employer services manager  
Tel – 07990 560829  
E-mail – [cory.blöse@westnorthants.gov.uk](mailto:cory.blöse@westnorthants.gov.uk)

## 1. Executive Summary

- 1.1 The Pension Fund Committee is asked to note the entry, to the Fund, of three transferee admission bodies and to approve the sealing of the admission agreements.
- 1.2 All three admissions are “pass-through” admissions, meaning the assets and liabilities are retained by the awarding authority, so there is no additional risk to the Fund from the admission.
- 1.3 The Committee has no discretion over the admission of these bodies as they have agreed to follow the Regulations of the LGPS by signing the admission agreements and therefore the regulations require the administering authority to admit them to the Fund.
- 1.4 The Committee is also asked to note the exit of ten employers from the Fund. Seven of the exiting employers left due to their contract ending, one due to their last active member leaving and two choose to exit the scheme and close the scheme to future accrual.
- 1.5 Eight of the exiting employers were admitted under a pass-through agreement, so no funding assessment is needed.
- 1.6 A funding surplus has been identified for two of the employers and a determination will need to be made over the value of the exit credit (which may be nil) payable to the exiting employer.
- 1.7 The Committee is also asked to note the update on three cessation cases previously reported where the funding assessment identified a surplus resulting in an exit credit determination.

## 2. Background

- 2.1 The Local Government Pension Scheme Regulations 2013 (as amended) (the Regulations) provide for the participation of a number of different types of body in the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.
- 2.2 When an employer ceases participation in the Fund, the administering authority is required, under regulation 64 of the Local Government Pension Scheme Regulations 2013 (the Regulations), to obtain an actuarial valuation, as at the exit date, of the liabilities and to obtain a revised rates and adjustments certificate showing the exit payment due from the exiting employer or the excess of assets in the Fund relating to that employer.
- 2.3 This report provides an update on admissions to and cessations from the Cambridgeshire Pension Fund since the last meeting of the Pension Fund Committee.

## 3. New Admission Bodies

- 3.1 Paragraph 1 of Part 3 of Schedule 2 to the Regulations provides for an administering authority making an admission agreement with an admission body, enabling employees of the admission body to be active members of the Local Government Pension Scheme.

3.2 A body which falls under paragraph 1(d)(i) of Part 3 of Schedule 2 (known as transferee admission bodies) is an admission body that is providing a service, in connection with the function of a scheme employer, as the result of a transfer of service or assets by means of a contract or other arrangement.

3.3 The Pension Fund Committee is asked to note the admission of the following bodies into the Cambridgeshire Pension Fund under paragraph 1(d)(i) and to approve the sealing of the admission agreements:

- Aspens Services Limited (Queen Emma Primary School & Queen Edith Primary School)
- Taylor Shaw Limited (Ernulf Academy)
- Kids R Us Out of School Club Limited (Meridian Trust)

3.4 Full details of the admissions are included in Appendix A.

## 4 Cessations

4.1 The following admitted bodies have exited the Fund:

- Wimblington Parish Council
- Clarion Housing Association Limited
- GPC Skills Limited
- VHS Cleaning Services Ltd x 4
- OCS Food Co Limited (Ditchburn Place)
- Avocet Cleaning Services (St Bede's Inter-Church School)
- Taylor Shaw Limited (Ernulf Academy)

4.2 Full details about this cessation are included in Appendix B.

## 5 Update on previously reported cessations

5.1 When an employer ceases to participate in the Fund, the Regulations require the administering authority to obtain a valuation of the assets and liabilities attributed to that employer to determine if there is a funding surplus or deficit. If a deficit exists, the employer must pay an exit payment to the Fund equal to the value of the deficit. If a surplus exists, the administering authority must make a determination of the amount of exit credit (which could be zero) should be paid to the exiting employer.

5.2 The Pension Fund Committee is asked to note the update on the following previously reported cessations.

- Sanctuary Housing Group
- Kimbolton School
- Cross Keys Homes

5.3 Full details of each update are included in Appendix C.

## 6 Relevant Pension Fund Objectives

- 6.1 Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2*
- 6.2 Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*
- 6.3 Ensure appropriate exit strategies are put in place in both the lead up to and termination of a scheme employer. *Objective 7*

## 7 Risk Management

- 7.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.
- 7.2 The risks associated with failing to monitor admissions and cessations have been captured in the Fund's risk register as detailed below.

Risk	Residual risk rating
Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed.	Green
Failure to administer the scheme in line with the regulations.	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making.	Green
Failure to assess and monitor the financial strength of an employer covenant to ensure employer liabilities are met in conjunction with the Fund Actuary/specialist advisors.	Green

- 7.3 The Fund's full risk register can be found on the Fund's website:

[Pension Fund Risk Register](#)

## 8. Finance & Resources Implications

- 8.1 Actuarial costs incurred by obtaining a calculation of the employer's contribution rate and opening funding position at commencement are recharged directly to the employer.
- 8.2 The employer contribution rate contains an allowance for administration charges, and the employer is charged a fee to recover the Funds administration costs of onboarding new employers and terminating ceased employers. This means that admissions and cessations should be cost neutral.
- 8.3 Employers who are unable to pay monies due during active membership may result in unpaid liabilities being borne by other employers in the Fund.

## 9. Communication Implications

Direct Communications – Direct communications will be required to facilitate employer start up in the LGPS.

Training – Training will need to be provided to new employers on a number of LGPS issues.

Website – New employers are given access to the employer’s guidance available on the pension’s website.

## 10. Legal Implications

10.1 Admitted bodies enter into an admission agreement with the administering authority to become an employer within the Cambridgeshire Pension Fund. This agreement sets out the statutory responsibilities of an employer, as provided for under the Regulations governing the LGPS.

10.2 Exit credit determinations can be appealed by the exiting employer under the Fund’s internal dispute resolution procedure and ultimately the Pensions Ombudsman.

10.3 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

## 11. Consultation with Key Advisers

11.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.

11.2 A precedent admission agreement has been drafted by Squire Patton Boggs, specialist pension legal advisers.

11.3 Advice was received from the Fund’s legal advisers, Squire Patton Boggs, on individual admission and cessation cases, where required.

11.4 Squire Patton Boggs conducted a review of the paper for legal implications.

## 12. Alternative Options Considered

12.1 None available.

## 13. Appendices

13.1 Appendix A: New admissions

13.2 Appendix B: New cessations

13.3 Appendix C: Update on previously reported cessations

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? 23/05/2024

Has this report been cleared by Head of Pensions? 30/04/2024

Has this report been cleared by Monitoring Officer? 21/05/2024

## **Appendix A: New employers**

### **To be noted:**

- **Aspens Services Limited (Queen Emma Primary School & Queen Edith Primary School)**

Aspens Services Limited have entered a contract with The Queens Federation to provide catering services at Queen Emma Primary School & Queen Edith Primary School (Cambridgeshire Local Education Authority Schools). As a result, eight employees transferred to the admission body and a backdated pass-through admission agreement has been put in place effective 30 October 2023. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Taylor Shaw Limited (Ernulf Academy)**

Taylor Shaw Limited have entered a contract with Astrea Academy Trust to provide catering services at Ernulf Academy. As a result, two employees transferred to the admission body and a backdated pass-through admission agreement has been put in place effective 1 June 2020. The assets and liabilities have been retained by Astrea Academy Trust.

- **Kids R Us Out of School Club Limited (Trumpington Park Primary School)**

Kids R Us Out of School Club Limited have entered a contract with the Meridian Trust to provide catering services at Trumpington Park Primary School. As a result, seven employees transferred to the admission body and a backdated pass-through admission agreement has been put in place effective 1 January 2024. The assets and liabilities have been retained by the Meridian Trust.

## **Appendix B: New cessations**

- **Wimblington Parish Council**

Wimblington Parish Council were admitted to the Fund as a designating body on 1 April 1995 when they passed a resolution designating their Clerk as eligible for membership of the LGPS.

On 31 January 2024 the council chose to exit the pension scheme and close the scheme to new accrual. A funding surplus of £5,700.00 has been identified. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer.

- **Clarion Housing Association Limited**

Roddons Housing Association Limited were admitted to the Fund as a Community Admission Body on 5 November 2007, following a transfer of staff from Fenland Council. Following a restructure of the parent company and associated housing associations its engagements transferred to Clarion Housing Association Limited on 26 January 2018.

On 30 November 2023, Clarion Housing Group closed the scheme to new accrual following a consultation with staff. The cessation assessment identified a funding surplus of £2,339,000. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer and at the time of drafting were waiting for representations from the employer.

- **GPC Skills Limited**

GPC Skills Limited were admitted to the Fund under a pass-through agreement on 1 September 2021 after entering a contract to provide the provision of growth services in Greater Peterborough, Greater Cambridge and the Fens with a view to stimulating jobs and economic growth.

On 31 December 2023, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire and Peterborough Combined Authority.

- **VHS Cleaning Services Limited (Stapleford Community Primary School)**

VHS Cleaning Services Limited were admitted to the Fund under a pass-through agreement on 27 October 2018 after entering a contract to provide catering services to Stapleford Community Primary School.

On 31 December 2023, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Anglian Learning Trust.

- **VHS Cleaning Services Limited (Bassingbourn Village College and Sawston Village College)**

VHS Cleaning Services Limited were admitted to the Fund under a pass-through agreement on 1 January 2019 after entering a contract to provide catering services to Bassingbourn Village College and Sawston Village College.

On 31 December 2023, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Anglian Learning Trust.

- **VHS Cleaning Services Limited (The Netherhall School)**

VHS Cleaning Services Limited were admitted to the Fund under a pass-through agreement on 1 January 2012 after entering a contract to provide catering services to The Netherhall School.

On 31 December 2023, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Anglian Learning Trust.

- **VHS Cleaning Services Limited (Linton Village College)**

VHS Cleaning Services Limited were admitted to the Fund under a pass-through agreement on 24 October 2020 after entering a contract to provide catering services to Linton Village College.

On 31 December 2023, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Anglian Learning Trust.

- **OCS Food Co Limited (Ditchburn Place)**

OCS Food Co Limited were admitted to the Fund under a pass-through agreement on 1 February 2022 after entering a contract to provide catering services at Ditchburn Place.

On 31 March 2024, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Avocet Cleaning Services Limited (St Bede's Inter-Church School)**

Avocet Cleaning Services Limited were admitted to the Fund under a pass-through agreement on 1 September 2022 after entering a contract to provide catering services to St Bede's Inter-Church School.

On 31 March 2024, the contract ended. No exit payment or credit is required as the pension liabilities were retained by St Bede's Inter-Church School (single academy trust).



- **Taylor Shaw Limited (Ernulf Academy)**

Taylor Shaw Limited were admitted to the Fund under a pass-through agreement on 1 June 2020 after entering a contract to provide catering services to Ernulf Academy.

On 31 March 2024, the contract ended. No exit payment or credit is required as the pension liabilities were retained by Astrea Academy Trust.

## **Appendix C: Update on previously reported cessations**

- **Sanctuary Housing Group**

The cessation of Sanctuary Housing Group was originally reported at the October 2023 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding surplus of £2,337,000.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Sanctuary Housing Group is £1,837,000. At the time of writing this report, officers are arranging payment to the employer.

- **Kimbolton School**

The cessation of Kimbolton School was originally reported at the December 2023 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding surplus of £407,000.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Kimbolton School is £407,000. Payment was made to the employer on 23 January 2024.

- **Cross Keys Homes**

The cessation of Cross Keys Homes was originally reported at the December 2023 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding surplus of £1,655,000.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Cross Keys Homes is £1,665,000. Payment was made to the employer on 26 April 2024.

# Cambridgeshire Pension Fund

## Pension Fund Committee.

Date: 6 June 2024

Report by: Head of Pensions

Subject: Pension Fund Annual Business Plan Update report 2024-25

Purpose of the Report: To present the Business Plan Update.

Recommendation: The Pension Fund Committee is asked to:  
1) note the Business Plan Update.

Enquiries to: Mark Whitby  
Head of Pensions  
[mark.whitby@westnorthants.gov.uk](mailto:mark.whitby@westnorthants.gov.uk)

## 1. Background

1.1 Good governance requires that updates to the pre-agreed Annual Business Plan and Medium-Term Strategy are provided to the Committee and Board on a regular basis. This update highlights the progress made on the key activities for the period.

## 2. Executive summary

2.1 The Cambridgeshire Pension Fund has for many years considered it good governance to have in place a Business Plan and Medium-Term Strategy that is agreed annually and regularly monitored by the Committee and Board.

2.2 The report summarises the progress made on each activity for the period under review.

2.3 Section 3 of this report provides a progress update for each business plan activity. The table below provides an overview of the RAG status of each activity.

2.4 The tables in appendix 1 provide an update of the Fund account, investment and administration income and expenditure against the cash flow projection outlined in the Annual Business Plan as agreed by the Pension Fund Committee in March 2024. There are no material variances identified.

2.5 The link to the full Business Plan approved by the Committee in March 2024 is provided in section 11 for full context and reference.

### 3. RAG status of Business Plan activities

3.1 The below table provides the progress made against each activity for this reporting period:

<b>Paragraph</b>	<b>Activity</b>	<b>RAG status</b>
4.1 – 4.3	Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025.	<b>Amber</b>
4.4 – 4.6	Procure an Integrated Service Provider (ISP).	<b>Amber</b>
4.7 – 4.9	Investment Consultant Contract.	<b>Green</b>
4.10 – 4.12	Review and implement changes required from the Pension Regulator’s new General Code of Practice.	<b>Green</b>
4.13 – 4.15	Implement the best practice recommendations of the good governance review.	<b>Green</b>
4.16 – 4.18	Prepare for the implementation of Pension Dashboards.	<b>Green</b>
4.19 – 4.21	Continue to review cyber resilience.	<b>Green</b>
4.22 – 4.24	Implement equality, diversity and inclusion (EDI) best practices.	<b>Green</b>
4.25 – 4.27	Review the National LGPS Framework for Additional Voluntary Contribution Services (AVC).	<b>Green</b>
4.28 – 4.30	McCloud remedy rectification.	<b>Green</b>
4.31 – 4.33	Processing of undecided leaver records.	<b>Amber</b>
4.34 – 4.36	Explore the upgraded member self-service portal, Heywood Engage.	<b>Green</b>
4.37 – 4.39	Continue development of the ACCESS asset pool.	<b>Green</b>
4.40 – 4.42	Continue activities within the Fund’s Climate Action Plan.	<b>Green</b>
4.43 – 4.45	Continue with the development of the website.	<b>Green</b>
4.46 – 4.48	Prepare for 2025 Fund Valuation.	<b>Green</b>
4.49 – 4.51	Review suitability of having multiple investment strategies.	<b>Green</b>

3.2 All activities are currently green with the exception of three ambers. The reasons for the ambers are outlined below:

- 1) Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025 is amber due to the Member Data Services Framework not being released until 30 April 2024.
- 2) Procure an Integrated Service Provider (ISP) is amber due to delays with the progression of the variation agreement.
- 3) Processing of undecided leaver records is amber due to the volume of cases to be completed with conflicting priorities within the Service.

4. Business Plan Activities  
Procurement of Services

Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025.

4.1 Activity: The current contract for address tracing and mortality screening ceases in June 2024.

The delay in launching the National LGPS Framework has meant that there will be inadequate time to comprehensively review options before the current contract expires.

Therefore, the aim is to have a new solution in place from 1 April 2025 to allow for all options to be fully considered.

4.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Extend existing contract until 31 March 2025 (subject to s151 Officer approval).	April 2024.	On target
Register to access National LGPS Framework.	April 2024.	Not on target
Consider framework offerings and other suitable solutions.	April – June 2024.	Not on target
Develop approach for procurement of address and mortality screening services.	June 2024 onwards.	TBC

4.3 Update: Approval has granted to extend the contract until 31 March 2025 and a variation agreement is currently in the process of being completed. The Member Data Services Framework was not released until 30 April 2024 so registering for the Framework will now commence in May.

Procure an Integrated Service Provider (ISP) to enable connection to the Pension Dashboards ecosystem before the staging date deadline of 31 October 2026.

4.4 Activity: Via a variation agreement to the Fund’s pensions administration and payroll software contract, procure Heywood Pensions Technology Ltd’s ISP solution and associated data quality reports enabling the connection to the Dashboard ecosystem.

The Heywood ISP solution will fully integrate into the pensions administration system, Altair, resulting in a more effective and straightforward implementation than with an alternative provider.

ISP capabilities of suppliers were tested as part of the 2023-24 pensions software tender.

4.5 Key milestones:

Key Milestones.	Dates.	On target for completion?
Complete procurement activities	April 2024.	Fallen behind schedule due to the legal review of the variation agreement being more extensive than envisaged and the data privacy impact review needed to be to be undertaken concurrently with the Information Governance Team. Reviews are now complete. Completion of milestone expected end of June 2024.
Receive data quality reports and produce data improvement plan to improve data quality for matching purposes	April 2024.	Fallen behind schedule – please see the milestone above. Completion of milestone expected end of June 2024.
Implementation of software	TBC when the Pensions Dashboards Programme confirm final parameters that will enable ISP suppliers to begin implementation.	

4.6 Update: The variation agreement and data impact privacy assessment have now been reviewed. The variation agreement will be signed following satisfactory clarification of some minor contractual queries. Receipt of the data quality reports will follow and the implementation of the ISP will take place as soon as the final infrastructure is in place.

**Investment Consultant Contract**

4.7 Activity: The current investment consultancy supplier is Mercer. The initial contract comes to an end on 30 September 2024. The contract has the ability to extend up to a maximum of three years to 30 September 2027. A decision was taken by the Committee in 2023-24 to align a review of the contract with the 2024 IC Objectives review.

4.8 Key milestones:

Key Milestones.	Dates.	On target for completion?
Complete Investment Consultancy (IC) Objectives review.	July 2024.	On target
Decision as to whether to extend or re-procure the investment consultancy contract.	October 2024.	On target
Implement Committee decision.	October 2024 – March 2025	On target

4.9 Update: The agreed pathway is to align a decision regarding the investment consultancy contract to the annual IC objectives review with a decision at the meeting following the review. This would require a short-term extension to the investment consultancy contract should a procurement be required.

Core governance activities

Review and implement changes required from the new General Code of Practice.

4.10 Activity: In March 2021 the Pensions Regulator launched a consultation on its revised code of practice for the pensions industry. The revised code of practice consolidates, updates, and amends the existing 15 codes of practice into one single consistent source of information.

The responses to the consultation have taken the Pensions Regulator longer than expected to digest and as such the new general code of practice' is due to come into force in March 2024.

4.11 Key milestones:

Key Milestones.	Dates.	On target for completion?
Review compliance of the Fund against the new standards.	Rescheduled to April – June 2024 (April 2024)	On target for rescheduled dates
Develop an action plan of changes required.	Rescheduled to July 2024 (May 2024)	On target for rescheduled dates
Present progress against the action plan to the Pension Fund Committee and Pension Board at each meeting.	Rescheduled to October 2024 to March 2025 (June 2024 – October 2024)	On target for rescheduled dates

4.12 Update: The Fund is in receipt of the Code of Practice compliance checker tool developed by Hymans. Regulatory compliance against the requirements of the Code has started to be considered, input is required from other teams within the Service and appropriate evidence to support each area. As such the target dates for completion have been rescheduled to allow for a comprehensive review of each requirement.

Implement the best practice recommendations of the good governance review.

- 4.13 Activity: The Scheme Advisory Board (SAB) has been working on the good governance review for several years with the current objective to identify both the issues deriving from the current scheme arrangements and the potential benefits of increasing the level of separation between the host authority and the scheme manager role to avoid potential conflicts of interest.

Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of DLUHC to amend scheme regulations and publish statutory guidance, others by SAB and other for Funds to implement as best practice.

The standards are due to be issued early 2024.

- 4.14 Key milestones:

Key Milestones	Dates	On target for completion?
Develop an action plan to implement the best practice activities.	TBC.	
Present update on progress on action plan to the Pension Fund Committee and Pension Board	TBC.	
Implementation of activities requiring SAB and DLUHC guidance.	TBC.	

- 4.15 Update: No update for this reporting period.

#### Prepare for the implementation of Pension Dashboards

- 4.16 Activity: Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together. The industry is currently consulting on the proposed staging date for public service pension schemes with the final staging guidance to be released by the Money and Pensions Service in the Spring of 2024.

Project plan activities based on national connection guidance will be undertaken in the following areas in order to connect to the Pension Dashboard ecosystem: Governance, Internal controls, Connection, Record keeping, Budget, Resource, Data.

- 4.17 Key milestones:

Key Milestones.	Dates.	On target for completion?
Undertake project plan activities to enable connection to the Dashboard including data cleansing activities.	April 2024 – March 2025	On target.
Update the Committee and Board with progress against the Pension Regulator’s dashboard checklist as appropriate	October 2024 & March 2025	On target.



4.18 Update: The connection guidelines have been published which includes the timeline for connecting to the dashboard. For all public service pension schemes the connection date is confirmed as 31 October 2025. The internal project plan has been reviewed and updated against the connection guide to ensure that all actions are documented against proposed timescales. Following an initial project meeting conducted at the beginning of May, actions have started to be undertaken in preparation for connecting to the dashboard by the prescribed connection date.

**Continue to review cyber resilience**

4.19 Activity: Cyber-crime will continue to evolve and become increasingly sophisticated and as such this area will be regularly reviewed and monitored. The cyber action plan (exempt Appendix 2) will be updated as and when necessary.

4.20 Key milestones:

Key Milestones.	Dates.	On target for completion?
Ongoing monitoring and development of the cyber strategy and action plan via the Business Plan Updates at each meeting of the Pension Committee and Pension Board.	April 2024 – March 2025.	On target for completion.

4.21 Update: The action plan has been updated to reflect the starting position for 2024/25. Any additional actions that are identified during 2024/25 will be added to the action plan accordingly.

**Implement equality, diversity and inclusion (EDI) best practices**

4.22 Activity: The Pensions Regulator has published guidance to help improve pension schemes’ equality, diversity and inclusion. Pension schemes have legal duties to scheme members, and good decision making is key to ensuring those duties are met. EDI supports robust discussion and effective decision making and is an important consideration for schemes.

The Fund will be aiming to improve its equality, diversity and inclusion via these best practices.

4.23 Key milestones:

Key Milestones	Dates	On target for completion?
Present action plan to Local Pension Board.	April 2024.	Completed.
Present action plan to Pension Committee.	June 2024.	Completed.
Further milestones subject to action plan approval.	June 2024 – March 2025	On target for completion.

4.24 Update: The EDI action plan was presented to the Local Pension Board on 26 April and is being presented to the Committee at this meeting. Taking into consideration any comments made on the proposals, further milestone will be added accordingly and included within the next update report.

## Review the National LGPS Framework for Additional Voluntary Contribution Services (AVC)

- 4.25 Activity: The Fund has two Additional Voluntary Contribution (AVC) providers Utmost Life and Prudential, which have recently been reviewed for administration and investment performance for which both were deemed adequate for the needs of the Fund.

However, it is important that the Fund does not become complacent with arrangements over the long term and other providers should be considered where appropriate to establish whether another arrangement would be better suited for members.

The first National LGPS Framework for AVC Services is being developed to support Funds in meeting their AVC responsibilities and is due to launch at the end of April 2024. A decision will be made as to whether to enter into a procurement process.

- 4.26 Key milestones:

Key Milestone	Dates	On target for completion?
Register to access national LGPS Frameworks.	May 2024.	TBC
Consider framework offerings against arrangements already in place.	June 2024 – August 2024.	TBC
Develop approach for procurement if required.	June 2024 – August 2024.	TBC
Present findings to the Pension Fund Committee and Pension Fund Board.	October 2024 - November 2024.	TBC

- 4.27 Update: The AVC Services Framework is yet to be released.

### Scheme member and data projects

#### Complete the McCloud Remedy Rectification

- 4.28 Activity: The McCloud age discrimination remedy removes the age discrimination that has been judged to have arisen in the LGPS due to the age-related transitional protections that were introduced following the introduction of CARE arrangements in 2014.

Following the implementation of the age discrimination remedy on 1st October 2023 the records of scheme members within scope of the McCloud ruling must be reviewed to determine if any rectification of benefits is required in line with the remedy and national guidance that is currently awaited from DLUCH.

- 4.29 Key milestones:

Key Milestones	Dates	On target for completion?
Milestones will be updated once guidance from DLUCH has been received.	TBC	Draft guidance has been seen and feedback

Key Milestones	Dates	On target for completion? provided.
The LGA have advised Funds to allow for two years from receipt of the guidance to completion of all activities.	TBC	

- 4.30 Update: Draft statutory guidance regarding the implementation of the McCloud in the LGPS was circulated by DLUHC which sought views from of the Local Government Pensions Committee, members of the LGPS scheme advisory board, representatives of LGPS administrators, representatives of fund actuaries, and LGPS pensions administration software suppliers. The Cambridgeshire Pension Fund fed into this process and are currently awaiting the consultation response.

### Processing of undecided leaver records

- 4.31 Activity: The Fund has a number of unprocessed leaver records where a member has left a period of pensionable employment, is not entitled to immediate payment of pension benefits, but is entitled to either a refund of contributions, aggregation with another period of pensionable membership and/or a deferred pension award.

A significant number of these records are in progress for a variety of reasons, including outstanding information or workflow. Any case which is older than 6 months since the point of notification is classed as backlog/aged case and reported through this business plan activity.

The backlog had reduced by approximately 1,250 cases as at 31 January 2024 to 7,268 cases. The intention is to reduce this backlog by 6,000 further cases over the next 3 years.

- 4.32 Key milestones:

Key Milestones.	Dates.	On target for completion?
Reduce the backlog by 1,000	April 2024 – March 2025	
Reduce the backlog by 2,500	April 2025 – March 2026	
Reduce the backlog by 2,500 by 2,500	April 2026 – March 2027	

- 4.33 Update: At 1<sup>st</sup> April 2024, the total number of records within the backlog stood at 7,500. Future Business Plan update reports will provide details of the progress made to reduce this number.

Explore the upgraded member self-service portal, Heywood Engage.

- 4.34 Activity: The Fund’s supplier (Heywood Pension Technologies Ltd) of the current member self-service portal (MSS) have released a new self-service portal, Heywood Engage, with many enhanced features to provide scheme members with a better understanding of their future pension entitlement.

In order to determine the optimum time, migrate to the new portal a full review of the portal's offerings, migration process and communication requirements will need to be undertaken.

4.35 Key milestones:

Key Milestones	Dates	On target for completion?
Undertake review of the current new and enhanced features and those that will be introduced in this financial year.	April – May 2024	Confirmation that Engage can support two Funds has not been received
Consider all actions required from the migration process and impact on communications and support required by members.	June – July 2024	
Make decision on if/when to begin implementation.	August 2024	

4.36 Update: Confirmation that Engage can support two Funds is required before progress can be made on this activity.

Investment related activities

Continue development of the ACCESS asset pool.

4.37 Activity: The Fund will continue to develop asset pooling over the medium term. The key developments on the horizon are:

- Expected regulations and guidance following DLUHC's response to the "LGPS: Next steps on investments" consultation, including those relating to the pooling model, the pace of asset transition, levelling up plans and private equity ambition.
- Matters arising from the ACCESS third party review
- The Operator re-procurement
- Provision of ACCESS non-listed asset solutions; real estate, private equity, private debt, infrastructure
- Responsible investment

4.38 Key milestones:

Key Milestones	Dates	On target for completion?
Consideration of revised regulations and guidance.	TBC	
Consideration/implementation of options from third party review.	Throughout 2024-25	On target
Procurement of Operator.	March 2024 – Dec 2024	On target
Non-listed programme development.	Throughout 2024-25	On target
Responsible investment activities including review of Voting Guidelines.	Throughout 2024-25	On target

- 4.39 Update: UK Core Real Estate Mandate has been awarded to CBRE. For the UK Alternative Building Blocks, Apex/ACCESS focus will be on impact investing, and affordable housing. PIRC has been appointed to provide external advice and support in respect of the implementation of the RI Guidelines and delivery of the reporting requirements.

Following the ISC's decision to implement a 1% allocation to timberland, timberland mandate has been awarded to the successful applicants. In November 2023, the ISC approved a 3% allocation into the Aviva Lime Property Fund through ACCESS. 73% of desired allocation to AVIVA has been achieved to date, with the final tranche to be completed by the end of May.

**Continue activities within the Fund's Climate Action Plan**

- 4.40 Activity: In May 2023, the ISC approved the adoption of the carbon footprint metric as the primary metric for monitoring progress against the existing decarbonisation targets, maintaining reductions at 23% by 2024 and 57% by 2030.

In November 2023, ISC approved the "roadmap" carbon reporting beyond listed equities.

- 4.41 Key milestones:

Key Milestones	Dates	On target for completion?
All activities are listed within the Climate Action Plan – see Appendix C.	During 2024/25.	On target

- 4.42 Updates: The scope of the climate action plan will be extended beyond listed equities to encompass multi-asset credit in future analyses, thereby increasing coverage to 57.5%.

Communications

**Continue with the development of the website**

- 4.43 Activity: Following review of the pension fund website and testing of recommended changes, a homepage and example content pages have been developed and comments received from the local pension board.

The team will now finish the build of the website during quarter 1 of the scheme year and launch in quarter 2.

Following the initial launch, satisfaction of the new website will be tested at the end of quarter 3.

- 4.44 Key milestones:

Key Milestones	Dates	On target for completion?
Webpages to be drafted and approved for publication.	April to June 2024	On target
Communicate planned website update to stakeholders.	May to July 2024	On target
Launch new website.	July 2024	On target
Review satisfaction with new website.	December 2024	On target

- 4.45 Update: Content is being drafted by officers and a number of pages have been approved for publication following a review by subject matter experts within the service.

**Prepare for 2025 Fund Valuation**

- 4.46 Activity: The date of the next triennial valuation of the Pension Fund is 31 March 2025 with results to be published by 31 March 2026 and new employer contribution rates effective from 1 April 2026. Officers will work with the Fund’s actuarial advisors to develop requirements and plan for the valuation. This will include a review of assumptions to be used for the valuation and preparation of early valuation results for large local authority employers.

- 4.47 Key milestones:

Key Milestones.	Dates.	On target for completion?
Develop plan with Fund Actuary	April to June 2024	On target
Undertake pre-valuation activities	July 2024 to March 2025	On target
Valuation of the Pension Fund	April 2025 to March 2026	On target

- 4.48 Update: An initial conversation has been had with the actuary discussing priority workstreams for this valuation and a written plan will be agreed by the deadline.

**Review suitability of having multiple investment strategies**

- 4.49 Activity: The Pension Fund Committee previously considered whether to introduce multiple investment strategies to provide greater flexibility to meet the different funding requirements of scheme employers. This was not previously implemented as modelling of a variety of “investment buckets” suggested no material improvement in funding outcomes, with increased downside risk.

However, modelling did suggest that multiple investment strategies may provide improved outcomes if certain conditions were different, including if asset values were 20% greater than at the time of the modelling.

Reconsideration is therefore proposed via a two-stage process, initially investigating whether the landscape has sufficiently changed to warrant further impact modelling and then a full impact review of the options.

- 4.50 Key milestones:

Key Milestones.	Dates.	On target for completion?
Actuary to carry out initial assessment to determine if conditions have changed sufficiently to warrant further impact modelling.	April 2024	Completed.
Officers to consider results of initial assessment.	May to June 2024	On Target
Officers to make recommendation to Committee.	July 2024	

If recommended and approved Fund officers to discuss scope of impact modelling and options to be considered.	August to September 2024	
Actuary to carry out impact modelling.	October to December 2024	
Officers to consider results of impact modelling.	January 2024	
Officers to present results and make recommendation to Committee for approval	March 2025	

4.51 Update: The Actuary has provided an initial recommendation that conditions have changed sufficiently to warrant a further review of this matter. They are now producing a scoping and costings paper to be considered by officers before a recommendation is put to the Committee.

5. Relevant Fund objectives.

5.1 To continually monitor and measure clearly articulated objectives through business planning.

6. Risk Management.

6.1 The Cambridgeshire Pension Fund has embedded risk management into the governance of the Fund. The Pension Committee has approved a Risk Strategy and a detailed Risk Register is maintained and reviewed by the Local Pension Board at every meeting. Changes to the level of risk are reported to the Pension Committee at every other meeting, or more frequently if necessary.

Risk.	Residual risk rating.
The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack.	Amber
Failure to respond to changes in economic conditions.	Amber
The ACCESS asset pool does not have the sub-fund choices available to enable the Fund to fulfil its strategic and tactical asset allocation requirements in a timely manner.	Amber
The Pension Fund and its members may become a target for fraudsters and criminals.	Amber
Pension Fund systems and data may not be secure and appropriately maintained, whether in situ or in transit.	Amber

7. Communication Implications.

7.1 The Business Plan Update will be presented to the Pension Fund Committee and Pension Fund Board at each meeting.

8. Finance & Resources Implications.

8.1 There are no financial and resource implications associated with this report.

9. Legal Implications.

9.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

10. Consultation with Key Advisers.

10.1 Squire Patton Boggs conducted a review of the paper for legal implications.

11. Alternative Options Considered.

11.1 Not applicable.

12. Background Papers.

12.1 [Council and committee meetings - Cambridgeshire County Council > Meetings \(cmis.uk.com\)](https://cmis.uk.com)

13. Appendices.

13.1 Appendix 1 – Variances against the forecast of investments and administration expenses based on original setting of assumptions.

Appendix 2 – Cyber activity action plan (**exempt**)

Appendix 3 – Cambridgeshire Pension Fund Climate Action Plan

Checklist of Key Approvals.

Has this report been cleared by Section 151 Officer? Sarah Heywood – 23/05/2024

Has this report been cleared by Head of Pensions? Mark Whitby – 30/04/2024

Has this report been cleared by Monitoring Officer? Emma Duncan – 21/05/2024



Appendix 1 – Variances against the forecast of investments and administration expenses based on original setting of assumptions.

The following tables provide estimates of the Fund account, investment and administration income and expenditure for the next three years.

	<b>2023/24 Estimate</b>	<b>2023/24 Forecast</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contributions <sup>1</sup>	148,000	162,000	155,000	158,000	167,000
Transfers in from other pension funds <sup>2</sup>	11,000	21,500	18,000	19,000	19,000
<b>TOTAL INCOME</b>	<b>159,000</b>	<b>183,500</b>	<b>173,000</b>	<b>177,000</b>	<b>186,000</b>
Benefits payable <sup>3</sup>	(137,000)	(137,000)	(149,000)	(157,000)	(165,000)
Payments to and on account of leavers <sup>2</sup>	(9,000)	(17,400)	(13,000)	(13,500)	(14,000)
<b>TOTAL PAYMENTS</b>	<b>(146,000)</b>	<b>(154,400)</b>	<b>(162,000)</b>	<b>(170,500)</b>	<b>(179,000)</b>
<b>Net additions/(withdrawals) from dealings with members</b>	<b>13,000</b>	<b>29,100</b>	<b>11,000</b>	<b>6,500</b>	<b>7,000</b>
Management expenses (Invoiced)	(4,947)	(5,328)	(5,903)	(6,233)	(6,349)
Management expenses (Non-invoiced) <sup>4</sup>	(22,900)	(20,300)	(21,300)	(22,400)	(23,500)
<b>TOTAL MANAGEMENT EXPENSES</b>	<b>(27,847)</b>	<b>(25,628)</b>	<b>(27,203)</b>	<b>(28,633)</b>	<b>(29,849)</b>
<b>TOTAL INCOME LESS EXPENDITURE</b>	<b>(14,847)</b>	<b>3,472</b>	<b>(16,203)</b>	<b>(22,633)</b>	<b>(22,849)</b>
Investment income <sup>5</sup>	34,000	66,600	48,000	50,000	52,000
Taxes on income	-	-	-	-	-
Profit and (losses) on disposal of investments and changes in the market value of investments <sup>6</sup>	204,000	252,700	219,000	230,000	241,000
<b>NET RETURN ON INVESTMENTS</b>	<b>238,000</b>	<b>319,300</b>	<b>267,000</b>	<b>280,000</b>	<b>293,000</b>

<b>Net increase/(decrease) in net assets available for benefits during the year</b>	<b>223,153</b>	<b>322,772</b>	<b>250,797</b>	<b>257,867</b>	<b>270,151</b>
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Management Expenses

	<b>2023/24 Estimate</b>	<b>2023/24 Forecast</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total administration expenses	(3,221)	(3,117)	(3,546)	(3,602)	(3,745)
Total governance expenses	(881)	(962)	(1,072)	(1,283)	(1,190)
Total investment expenses	(845)	(1,249)	(1,285)	(1,348)	(1,414)
<b>TOTAL MANAGEMENT EXPENSES</b>	<b>(4,947)</b>	<b>(5,328)</b>	<b>(5,903)</b>	<b>(6,233)</b>	<b>(6,326)</b>

Administration Expenses

	<b>2023/24 Estimate</b>	<b>2023/24 Forecast</b>	<b>2024/25 Estimate</b>	<b>2025/26 Estimate</b>	<b>2026/27 Estimate</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Staff related	(2,080)	(2,176)	(2,458)	(2,537)	(2,618)
Altair administration and payroll system	(485)	(444)	(413)	(434)	(455)
Data Assurance	(25)	(27)	(22)	(23)	(24)
Communications	(51)	(22)	(87)	(28)	(30)
Other non pay and income	(27)	105	15	30	23
County Council overhead recovery	(553)	(553)	(581)	(610)	(641)
<b>TOTAL ADMINISTRATION EXPENSES</b>	<b>(3,221)</b>	<b>(3,117)</b>	<b>(3,546)</b>	<b>(3,602)</b>	<b>(3,745)</b>

<sup>1</sup>Contributions have been calculated using the Employer contribution rate and salary increase assumptions of 3.2% set by the actuary at the 2022 Valuation. Contributions in 2026/27 are subject to change due to the 2025 valuation. The 2023/24 forecasted variance is due to actual salary increases being much higher than the actuarial salary increase assumption used from the 2022 valuation.

<sup>2</sup> Transfers in/out have been calculated using an average of 3 years (excluding group transfers).

- <sup>3</sup> 2024/25 benefits payable have been calculated using average membership increases, estimated PI of 6.7% and pension increases assumptions of 2.7% set by the actuary in subsequent years.
- <sup>4</sup> Management expenses (non-invoiced) have been calculated using investment managers actual fees plus the actuarial assumption of investment growth +4.9% per annum.
- <sup>5</sup> Investment income have been calculated by using an average of 3 years income received and applying the actuarial assumption of investment growth +4.9% per annum.
- <sup>6</sup> Return on Investments have been calculated by applying the actuarial assumption of investment growth +4.9% per annum.



## **Cambridgeshire Pension Fund - Climate Action Plan**

### **Calendar Year**

#### **Quarter 1 2022**

Agree decarbonisation pathway and targets that align the beliefs and ambitions of the Investment Sub Committee (ISC). The ISC agreed target reductions in absolute carbon emissions of the Fund's listed equity holdings of at least: <ul style="list-style-type: none"> <li>• 23% from June 2021 baseline by 2024</li> <li>• 57% from June 2021 baseline by 2030</li> </ul>	✓
Communicate agreed targets and aspirations to investment managers	✓
Instruct advisers to investigate high level approaches to climate aware passive equity investing	✓
Publish Climate Action Plan	✓

#### **Quarter 2/3 2022**

ISC receive training on strategic options to decarbonise the Pension Fund's active equity portfolio, including setting targets for existing managers and considering sustainable and impact equity and/or UN Sustainable Development Goals (SDG) alignment	✓
ISC receive report on high level climate aware passive equity options	✓

#### **Quarter 3/4 2022**

Receive implementable proposal on carbon aware passive equity portfolio	✓
Prepare and publish reporting in line with the Task-Force on Climate-Related Financial Disclosures (TCFD) disclosure requirements for the 2021-22 Fund annual report	✓

### **2023**

#### **Quarter 1 2023**

Agree managers and portfolio structures for climate aware passive investing	✓
Analysis of climate metrics as at 30/06/22	✓

**Quarter 2 2023**

Review progress against targets and appropriateness of metrics.	✓
Continue to engage with existing active equity managers around decarbonisation approaches - as required	✓
Engage with private asset managers to improve carbon data provision for portfolios and increased ESG integration	
Implement carbon aware passive equity in Q2 2023	✓
ISC consider proposals for impact investing in private markets - Infrastructure	✓

**Quarter 3 2023**

Engage with ACCESS on sustainable/impact infrastructure managers (based on Committee preferences following Q2 2022 discussion)	✓
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**Quarter 4 2023**

Analysis of climate metrics as at 30/06/23	✓
ISC consider proposals for sustainable/impact investing in listed equity as part of equity portfolio review	

**2024****Quarter 1 2024**

ISC consider proposals for including asset classes beyond listed equity in climate reporting and target setting	✓
Consider setting more granular targets across: - Sustainable/Climate solutions  - Stewardship	
<u>ISC consider incorporating an additional metric, SBTi (Science Based Targets Initiative) alignment, into the Fund's climate reporting, effective 30 June 2024, concerning Transition Alignment.</u>	✓
ISC receive report on availability of data and approach on alternatives assets	✓
ISC consider proposals for sustainable/impact investing in private markets (Private equity/property)	

Review progress against targets and appropriateness of metrics	
Consider draft UK Stewardship Report ahead of submission to FRC	
ISC consider feasibility of including Scope 3 within emissions reduction reporting and targets	

### **Quarter 2 2024**

Use insights and recommendations to shape discussions and support climate change reporting (TCFD) - awaiting outcomes of consultation	
Consider potential connections to biodiversity/natural capital	
Submit approved UK Stewardship Report to FRC	

### **Quarter 3 2024**

Continuation of the work with active managers to implement carbon reduction measures and increase the sustainability of the portfolios they manage	
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# Cambridgeshire Pension Fund

Pension Fund Committee

6 June 2024

Report by: Head of Pensions

Subject: Cambridgeshire Pension Fund Administration Strategy

Purpose of the Report: To seek approval of draft changes to the Administration Strategy

Recommendations: The Pension Fund Committee is asked to approve the draft changes to the Administration strategy for consultation with employers

Enquiries to: Cory Blose, Employer Services and Communications Manager  
Tel – 07990 560829 E-mail – [cory.blose@westnorthants.gov.uk](mailto:cory.blose@westnorthants.gov.uk)

## 1. Background

- 1.1. The administration strategy sets out a framework for administering the Fund by outlining the policies and performance standards to be achieved by the administering authority and scheme employers to enable the provision of a cost-effective and high-quality pension administration service.
- 1.2. The Local Government Pension Scheme Regulations 2013 (“the Regulations”) states that administering authorities may prepare, maintain, and publish a written statement setting out their policy concerning administration matters and that if an administering authority does so, the administering authority and its scheme employers must comply with the requirements and standards set out in the strategy, when carrying out their functions.
- 1.3. The Regulations also require that the administering authority should consult with scheme employers when preparing or reviewing its administration strategy.

## 2. Executive Summary

- 2.1. The Administration Strategy has been reviewed by officers with support from the Fund’s former Governance and Benefit consultants Aon.
- 2.2. Following the review, the administration strategy has been completely re-structured and re-written where required to bring the strategy up to date with current policies and practices.
- 2.3. The strategy also now includes sections on digital administration, particularly the use of i-Connect to collect membership data and details the Fund’s escalation policy.
- 2.4. The Pension Board was asked to review the document and provide comments ahead of approval by the Pensions Committee. Appropriate changes have been made following those comments, most notably the addition of a glossary.
- 2.5. Following approval, the strategy will be published for consultation with the Fund’s employers. If any material changes are made following the consultation period, the strategy will be brought back to the Committee for final approval. If no material changes are made, the strategy will be published immediately following the consultation period.

### 3. Changes to the existing policy

- 3.1. The strategy has been completely restructured and re-written where appropriate following review and guidance provided by Aon. The changes to each section of the document are summarised as follows:

#### Regulatory Framework

- 3.2. The references to relevant overriding legislation have been rewritten to provide more detail on the regulatory framework underpinning the strategy including direct reference to the relevant overriding legislation.

#### Aims and Objectives

- 3.3. This section has been updated to ensure the key Fund objectives met by the policy reflect changes since the last strategy review and to also include the specific aims of the strategy itself.
- 3.4. This new list of specific aims for the strategy will allow officers to better review the effectiveness of the strategy against desired outcomes at future reviews.

#### Key Risks

- 3.5. This is a new section highlighting key risks to achieving the aims of the strategy and relevant Fund objectives.

#### Delivery of Administration

- 3.6. This section replaces the section previously titled “Delivering the objectives” and has been expanded.
- 3.7. Due to the joint administration arrangements in place for administering the Fund, background detail has been included about the governance and operational structure of the Fund.
- 3.8. The subsection titled “Liaison and communication with scheme employers” has been re-written to emphasise the importance of a partnership style approach to the relationship between the Administering Authority and scheme employers and summarising the key responsibilities of each in facilitating this approach.

#### Digital Administration

- 3.9. This is a new section added to the strategy to reflect the Fund’s “digital by default” approach to administration.
- 3.10. The focus of this section is providing overview of the use of i-Connect to collect membership data and the expectations around the monthly submission of data.
- 3.11. This section also reduces the deadline for the submission of i-Connect from 10 working days after the end of the calendar month to 7 working days.
- 3.12. The reason for this change is to ensure that statutory obligations of both scheme employers and the Administering Authority can be met in all months. A review of the i-Connect process against statutory deadlines identified a risk that in certain circumstances the current i-Connect deadlines could lead to an employer failing to meet their statutory obligations.

- 3.13. For example, employers have 6 weeks under automatic enrolment legislation to inform the Fund of any new starters and the Fund has 2 months to provide any new starters with information about the scheme. If a new starter is enrolled into the scheme on the 1<sup>st</sup> of the month, the current deadline carries a risk that the employer would miss this 6 week deadline in certain months if submitting their i-connect data on the 10<sup>th</sup> working day after the month's end.
- 3.14. The current deadline also means that in cases with a start date early in the month, officers only have 2 weeks in which to process the record and send a welcome pack to the new member by the statutory deadline. If there are any queries on the information received, it is likely that the deadline would be missed. The new 7 working day deadline should ensure that the statutory deadlines can be met every month.
- 3.15. The earlier deadline will also help improve the member experience in other areas such as non-retiring leavers, allowing officers to process cases earlier than under current arrangements.
- 3.16. This section also provides a short summary of actions that members can complete digitally using their online pension account as well as reassuring members that they can opt out of digital communications if they wish to do so.

#### Administering Authority and Scheme employer responsibilities

- 3.17. These sections have been added following advice from Aon to improve transparency and ensure that the responsibilities of the Administering Authority and scheme employers are set out clearly and understood by all stakeholders.

#### Data queries

- 3.18. This is a new sub-section added to highlight the importance of resolving data queries and setting out expectations for scheme employers. The escalation process to be used by officers when dealing with queries has also been set out in appendix D to the strategy to manage expectations and increase transparency.

#### Performance standards

- 3.19. This section has been updated to put emphasis on the Fund's focus on providing a good customer experience for our members and to expand on the methods that will be used to ensure compliance. The additional methods include:
- Reporting of persistent poor performance by an employer to the Pension Fund Committee and where appropriate the Pensions Regulator
  - Recovery of any additional costs incurred due to the poor performance of a scheme employer.

#### Working with our Scheme employers – Improving administration

- 3.20 This section has been expanded to provide more detail and transparency on the methods that officers will use to try and assist employers and improve performance where necessary.
- 3.21 The key addition to this section is reference to the escalation process that will be used to resolve any issues with employer performance with more details provided in appendix D.
- 3.22 To ensure the emphasis is on working with scheme employers and ensure that the recovery of costs is seen as a method of last resort, the detail on the circumstances where the Administering Authority would seek to recover costs and sample the schedule of charges has been moved to appendix E.

### Appendix A – Member Experience Performance Standards

- 3.23 Appendix A has been amended to focus on key performance indicators for measuring member experience. This previously detailed the expected performance of a particular task or function including both employer and administering authority actions within that task or function. These targets did not specifically consider the member experience from start to finish of a particular task or function.
- 3.24 This new table considers the entire member experience from start to finish and includes details of the legal requirement for completion of particular tasks or functions that the Fund will monitor. It also sets out the expectations for both the employer and administering authority actions within that task or function followed by an overall target.
- 3.25 The overall target will generally be the same as legal requirement but may be less where appropriate. The overall target may not equal the sum of both the employer and administering authority targets reflecting the fact that other dependencies may exist. E.g. reliance on information from the member and/or other external parties.

### Appendix B – Performance standards relating to scheme employers

- 3.26 Appendix B sets out the performance standards expected from scheme employers. The wording has been updated to reflect current practice or language used and where necessary, the expected performance level has been updated to reflect current best practice or requirements to ensure statutory obligations can be met.

### Appendix C – Performance standards relating to the Administering Authority

- 3.27 Appendix C sets out the performance standards expected from the Administering Authority. The wording has been updated to reflect current practice or language used and where necessary, the expected performance level has been updated to those more recently approved by the Pension Fund Committee.

### Appendix D – Escalation Process

- 3.28 Appendix D sets out the escalation process to be used for three processes:
- monthly submission of membership data via i-Connect
  - responding to individual queries for time-critical case-work
  - responding to bulk queries usually resulting from cyclical processes or project work
- 3.29 These escalation processes set out what actions will be undertaken and the response time expected from the employer at each stage of the process.

### Appendix E – Circumstances where costs might be recovered

- 3.30 Appendix E sets out the circumstances where costs may be recovered and provides an illustrative schedule of charges for such scenarios. This is largely unchanged from the previous version with some updates to reflect current practices such as monthly data collection using i-Connect and removing reference to annual data collection.

### Appendix F – Glossary

- 3.31 A glossary has been added defining key terms from the strategy.

## 4. Next Steps

- 4.1. The Committee is asked to approve the draft strategy for consultation with the Fund's employers.
- 4.2. Following approval to consult, officers will launch a consultation process at an employer forum in July. Employers will be given a month to review and provide feedback to the consultation.
- 4.3. If the consultation results in any changes to the draft strategy, the final version will be resubmitted to the Pension Fund Committee for final approval. If there are no material changes, the strategy will be published immediately following the consultation period.

## 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.

To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.

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.

To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

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

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

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

To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

To seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.

## 6. Risk management

- 6.1. The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Incorrect/poor quality data held on the Pension Administration and Payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders	Amber

Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed	Green
Failure to administer the scheme in line with regulations and guidance.	Green

6.2. The Fund's full risk register can be found on the Fund's website at the following link:  
[Fund's Risk Register](#)

## 7. Communication Implications

7.1. The Administration strategy will be published for consultation with scheme employers on the Fund's website. The consultation will be launched at an employer forum and details will also be provided via the Fund's website and by email.

## 8. Finance & Resources Implications

8.1. There are no finance or resources implications arising from the proposals in this paper.

## 9. Legal Implications

9.1. There are no legal implications arising from the report.

## 10. Consultation with Key Advisers

10.1. The Fund's Governance and Benefits advisor Aon was consulted as part of this review.

## 11. Alternative Options Considered

11.1. Not applicable

## 12. Background Papers

12.1. None.

## 13. Appendices

13.1. Appendix 1 – Draft amended Administration strategy

13.2. Appendix 2 – Current Administration strategy

## Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 23/05/2024

Has this report been cleared by Head of Pensions? Mark Whitby – 30/04/2024

Has this report been cleared by Monitoring Officer? Emma Duncan – 21/05/2024

# Administration Strategy 2024

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## **1. Introduction**

- 1.1 This is the Administration Strategy of the Cambridgeshire Pension Fund (“the Fund”) managed by Cambridgeshire County Council (“the Administering Authority”).
- 1.2 The Administration Strategy is kept under review and revised to reflect changes to the Local Government Pension Scheme Regulations 2013 (“the Regulations”) and other legislation and guidance impacting the Fund.
- 1.3 This document sets out a framework for administering the Fund by outlining the policies and performances standards to be achieved to enable provision of a cost-effective and high-quality pension administration service.
- 1.4 This version of the Administration Strategy was reviewed and agreed by the pension fund Committee on [Enter Date of approval]. It will be reviewed periodically to ensure it remains up to date.
- 1.5 A separate Annual Business Plan and Medium-Term Strategy, including activities to support the delivery of administration in accordance with this Administration Strategy, is agreed annually and published on the Fund’s website.

## **2. Regulatory Framework**

- 2.1 The LGPS is a statutory public service pension scheme established by an act of Parliament and the rules and regulations of the Scheme must also be approved by Parliament.
- 2.2 This strategy has been produced in accordance with Regulation 59 of the Local Government Pension Scheme Regulations 2013. The Regulations 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 scheme employers must then have regard to that strategy when carrying out their functions.
- 2.3 The Regulations also require that the administering authority should consult with its scheme employers (and any other persons it considers appropriate) in preparing or reviewing its administration strategy.
- 2.4 In addition, regulation 70 allows 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. Where this situation arises the administering authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.
- 2.5 In accordance with the Public Sector Pensions Act 2015, the LGPS is regulated by the pensions regulator. The administering authority and scheme employers are also required to comply with regulatory guidance and the Code of Practice issued by the pensions regulator.
  - In carrying out their roles and responsibilities, in relation to the administration of the LGPS, both the administering authority and scheme employers should also comply with relevant overriding regulations including but not limited to:
  - Pensions Act 2004, 2011 and 2021 and associated disclosure legislation

- Public Service Pensions Act 2013 and associated record keeping legislation
- Freedom of Information Act 2000
- Equality Act 2010
- Finance Act 2013
- Discretionary Compensation Regulations 2006
- The Data Protection Act 2018

2.6 This strategy therefore sets out the information as required by the regulations mentioned above.

2.7 Nothing in this strategy overrides the legal responsibilities of any parties, for example, the statutory requirement to notify the pensions regulator in the event of a material breach of the law.

### 3. Aims and Key Objectives

3.1 This strategy has been developed to help the administering authority meet the following objectives:

- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and scheme employers.
- 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.
- To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary.
- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

3.2 The aims of this strategy are to:

- set out the quality and performance standards expected of the administering authority and scheme employers;
- promote good working relationships and improve efficiency between the administering authority and scheme employers;
- ensure scheme employers are aware of and understand their roles and responsibilities under the Regulations;
- maintain accurate records and ensure data is protected and used for an authorised use only;
- ensure that the administration costs attributable to scheme employers are charged proportionately;
- increase the efficiency of administering the LGPS through the appropriate use of technology to bring value for money and improve member engagement;
- improve the scheme member experience by understanding and measuring each member's overall customer journey.

## 4. Key Risks

4.1 Key risks relating to this strategy and the achievement of its aims and objectives include:

- The operations of the pension Fund and that of its suppliers are interrupted as a result of a cyber-attack;
- Incorrect/poor quality data held on the pension administration and payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders;
- Unable to deliver pension services due to inadequate recruitment/retention processes and inadequate skills and knowledge to undertake the role effectively;
- Unable to deliver pension services due to lack of resources through unexpected long term staff sickness and absence;
- Lack of understanding of scheme employer responsibilities which could result in statutory and non-statutory deadlines being missed.

## 5. Delivery of Administration

- 5.1 The administering authority has delegated responsibility for the management of the Fund to the Pension Fund Committee, with assistance from the Local Pensions Board (the Board). The Pension Fund Committee and the Board will monitor the implementation of this strategy.
- 5.2 The day-to-day administration of the Fund is carried out by West Northamptonshire Council ("the administrator"), working in partnership with the administering authority. Unless specifically stated, no distinction is made between the administrator and administering authority in the rest of this policy.
- 5.3 The administering authority is committed to providing a positive customer journey for all members of the Fund. To monitor the member experience, the administering authority has introduced new key performance indicators based on the entire customer journey and collects regular feedback from members who have had recent interaction with the administering authority.

### Liaison and communication with scheme employers

- 5.4 The delivery of high-quality administration relies on the administering authority working in partnership with a number of different organisations and stakeholders to achieve the aims and objectives of this strategy and ensure that statutory requirements are met.
- 5.5 The administering authority relies on scheme employers to provide the appropriate information in a timely manner to maintain accurate records and pay accurate benefits. The administering authority acknowledges that this is a partnership arrangement and this strategy clarifies the responsibilities of both the administering authority and the Fund's employers within this partnership.
- 5.6 To facilitate this partnership the administering authority will provide:
- a named contact (and deputy) at the administering authority for all scheme employer communications and queries;
  - clear instructions and interfaces to allow seamless transfer of information by scheme employers;

- information within the performance standards outlined in this strategy.

5.7 In return, the scheme employers within the Fund are expected to:

- Provide named contacts at the scheme employer for all administering authority communications and queries. This must include one person who has overall responsibility for ensuring the scheme employer carries out its roles and responsibilities.
- Provide monthly information to the administering authority using the i-Connect portal, as outlined in the i-connect user guide.
- Provide information within the performance standards and timelines outlined in this strategy.
- Ensure all information provided is correct by having an appropriate quality review process.

5.8 Full details of the procedures for liaison and communication between the administering authority and the Fund's stakeholders are included within the Fund's communication strategy.

## **6. Digital Administration**

6.1 The administering authority is "digital by default". This means that wherever appropriate, it will make use of technology to improve quality and reduce the cost of administering the Fund, making its processes more effective and efficient.

### **Members**

6.2 Active, deferred and pensioner members are offered access to an online pension account to help them manage their pension. The online pension account allows members to:

- Check the value of their pension benefits;
- Obtain an estimate of their projected pension benefits;
- Update their contact details;
- Update details of their beneficiaries;
- Upload documents and send messages;
- Receive communications from the administering authority;
- Start the retirement process;
- Check pensioner payslips and P60s.

6.3 Unless specifically instructed by a member that they wish to opt out of electronic communications, the administering authority will communicate with members electronically, either by uploading letters and information to the members online pension account or by email. The administering authority will also occasionally use text messages to inform members that a message is waiting for them online.

## Scheme employers

- 6.4 The administering authority collects membership data from scheme employers monthly to ensure that member records are accurate and up-to-date. All scheme employers are required to upload a monthly interface through “i-Connect”, a module of the Fund’s pension administration software.
- 6.5 i-Connect allows scheme employers to automate many parts of the process for transferring member data from their payroll system to the administering authority monthly. i-Connect:
- reduces manual intervention when collecting and reporting member data;
  - allows ongoing data validation and more timely resolution of data queries;
  - reduces the amount of work needed at year end and spreads this more evenly across the scheme year;
  - assists with the maintenance of accurate and up to date member records;
  - ensures data is submitted in line with statutory requirements and reduces the risk of breaching statutory time limits for processing data and communicating with members.
- 6.6 Maintaining accurate and up to date member records facilitates the accurate and timely calculation of member benefits and provides a better member experience. Scheme employers are required to submit member data, via i-Connect within 7 working days after the end of the relevant calendar month.
- 6.7 The administering authority has invested time and resources into making available the i-Connect facility and designing processes around monthly data collection, maximising the efficiency and cost effectiveness of administering the Scheme. Failure to use i-Connect by a scheme employer creates additional steps in the administration process and therefore increases the cost of administration. To avoid cross-subsidy by other scheme employers, the administering authority will seek to recover these additional costs from any scheme employer who fails to submit monthly membership data via i-Connect or submits membership data via other means, unless agreed for a specific purpose.
- 6.8 To ensure the timely submission of data, if the monthly submission is not received by the administering authority by the 7<sup>th</sup> working day of the month, the i-Connect escalation process detailed in appendix D will be used.

## **7. Administering Authority Responsibilities**

- 7.1 The primary role of the administering authority is to:
- administer the LGPS in respect of all scheme members, beneficiaries and their representatives in accordance with this strategy;
  - ensure all statutory responsibilities and requirements are met;
  - maintain and review the Fund’s policies, strategies, reports and all other matters relating to the governance of the scheme;
  - communicate and engage with scheme employers on LGPS matters;
  - maintain and develop effective digital administration platforms and processes for the benefit of members and scheme employers.
- 7.2 The administering authority is expected to carry out its roles and responsibilities within the requirements of this strategy. A detailed list of functions and activities expected of the administering authority and the performance standards for each are set out in appendix C. This is

not an exhaustive list of functions the administering authority may be expected to undertake but an illustration of the most common and key activities affecting outcomes for members.

7.3 The following is a summary of the main administering authority responsibilities:

- Ensure that the standards and levels of service set out in this strategy are met and relevant regulations are complied with;
- Provide a helpline for member and scheme employer enquiries, available during normal office hours, providing a single point of access for information relating to the LGPS;
- Create, maintain, update and process member records according to the information provided by scheme employers and members;
- Check and reconcile membership data provided by scheme employers as far as possible;
- Collect and reconcile employer and employee pension contributions;
- Calculate and pay retirement benefits, deferred benefits and death in service benefits in accordance with LGPS Regulations, members' options and statutory limits;
- Provide estimate of retirement benefits on request by a scheme member or scheme employer;
- Ensure statutory disclosure requirements are met within the required timescales including information to new joiners and those leaving the Scheme;
- Draft and publish an administering authority discretion policy;
- Inform scheme members and scheme employers of any changes to the rules and regulations of the LGPS;
- Ensure the Fund website is up to date with the latest information, including procedural guides, scheme guides and all other documents and forms;
- Provide training to help scheme employers understand and carry out their responsibilities effectively;
- Manage the performance of both the administering authority and scheme employer against the requirements of this strategy;
- Carry out and issue formal valuation results including for new and ceasing scheme employers as well as at the formal triennial valuation;
- Assess the final funding position for exiting scheme employers and collect any deficit payments required or carry out an exit credit determination;
- Develop, maintain, and publish Fund policies and strategies.

## 8. Scheme employer Responsibilities

8.1 The primary responsibilities of scheme employers are to:

- communicate details of the LGPS to eligible staff;
- apply the scheme regulations;
- provide required information to the administering authority.

8.2 Scheme employers are expected to carry out their roles and responsibilities within the requirements of this strategy. A detailed list of the key functions and activities expected of scheme employers and the performance standards for each are set out in appendix B. This is not an exhaustive list of functions a scheme employer may be expected to undertake but an illustration of the most common and key activities affecting outcomes for members.

8.3 The following is a summary of the main employer functions:

- Ensure that the standards and levels of service set out in this strategy are met and relevant regulations are complied with;
- Collection, payment and reporting of employee and employer pension contributions including any additional pension contributions or additional voluntary contributions (“AVCs”);
- Submission of monthly member data using i-Connect, including information about new starters, job changes and leavers;
- Provide leaver information where additional details are requested by the administering authority member benefits;
- Draft and publish an employer discretion policy and supply evidence of pension-related employer decisions when exercising a discretion;
- Pay any pension strain costs to the administering authority;
- Share administering authority communications with appropriate staff within the scheme employer;
- Provide new employees with information about the LGPS;
- Inform the administering authority of any planned transfers of LGPS eligible employees to another scheme employer at the earliest opportunity and work with the administering authority and any relevant third party to put an admission agreement in place before the transfer date;
- Inform the administering authority of changes to payroll provider and/or employee payroll references;
- Notify the administering authority of all applications received under the Fund’s internal disputes resolution procedure (IDRP).

### Data queries

- 8.4 Scheme employers are required to respond to any queries related to their monthly data submission in a timely manner to ensure the smooth processing and accuracy of member data. Data queries from each monthly return will need to be resolved before the following return can be submitted.
- 8.5 The administering authority applies appropriate tolerances when reconciling membership data. Any data that falls outside of these tolerances will result in a query being raised with the scheme employer. Queries will fall into one of two categories:
- **Warning:** A warning will be raised when the data fails a tolerance check but could still be correct and benefits can be calculated using the data provided. The scheme employer will be expected to correct the data or confirm that it is correct.
  - **Error:** An error will be raised when the query prevents benefits from calculated, e.g. the data is missing or very clearly wrong. The scheme employer will be expected to correct the data as soon as possible.
- 8.6 The escalation processes detailed in appendix D will be used to ensure the timely resolution of any data queries. Different escalation processes will be used depending on whether an individual or bulk query has been raised:
- 8.7 Where an unanswered query creates a delay in providing information to a scheme member, the member will be informed that the information has been requested and encouraged to speak to their employer directly to help resolve the delay.

## **9. Performance Standards**

- 9.1 The administering authority will ensure that all functions/activities are carried out to the agreed quality standards and within the timelines set out within this strategy or as advised by the administering authority from time to time. To ensure compliance with both the regulatory requirements and the Fund's objectives, the administering authority has set out the key performance indicators expected from both scheme employers and the administering authority in appendix A, B and C of this strategy.
- 9.2 These performance targets have been reviewed and agreed by the Pension Fund Committee and Local Pension Board with a view to ensuring good customer journeys. In developing the performance standards the administering authority has considered: statutory requirements;
- advice on best practice from the Scheme Advisory Board (SAB);
  - advice from the Fund's Benefits and Governance advisor;
  - performance standards of other Local Government Pension Scheme funds.
- 9.3 The performance standards are what the administering authority considers to be appropriate, fair and achievable with the aim of providing the best customer experience to the Fund's members and may go beyond the minimum statutory requirements.
- 9.4 Various methods will be used to assist in monitoring and ensuring compliance with this administration strategy
- 9.5 Methods may include:
- Internal/external audit review processes and internal controls;
  - Measuring both administering authority and employer performance against the performance requirements set out in this strategy;
  - Performance against the key performance indicators will be reported to and monitored by the Pension Fund Committee and Local Pension Board;
  - Benchmarking performance against other administering authorities;
  - Reporting persistent poor performance by scheme employers to the Pension Fund Committee and, where the breach is deemed to be material, the pensions regulator in line with the Fund's policy on reporting breaches of the law to the Pensions Regulator;
  - Recovery of any additional costs incurred due to poor performance by a scheme employer including both direct and indirect costs.

## **10. Working with our Scheme Employers – Improving Administration**

- 10.1 Using the means mentioned above, the administering authority will monitor progress against this strategy. Performance against the key performance indicators is reported to the Fund's Pension Committee and Local Pension Board alongside any remedial action taken where the expected standards are not being met. In addition, key performance indicators will be reported in the Fund's Annual Report and Accounts.
- 10.2 Officers, Committee and Board members and anyone else responsible for the administration of the Fund also has a duty to report any material breaches of the law to the Pensions Regulator. The administering authority will keep a log of any action or failure to act by a scheme employer that results in a breach of the law. Breaches will be reported to the Pensions Committee and Local



Pension Board at each meeting of that body and any breaches deemed to be material will be reported to the pensions regulator in line with the policy on reporting breaches of the law.

- 10.3 The administering authority will aim to work with scheme employers to avoid any such situations from occurring and to resolve any issues informally through its employer liaison function using the escalation processes described in appendix D.
- 10.4 The administering authority will keep a record of matters that are escalated through the employer liaison function. This will be used to identify patterns and trends indicating potential systemic issues. Where patterns or trends are identified, the information will be used to update the Administering Authority's training materials and/or trigger direct intervention with a particular scheme employer or group of scheme employers.
- 10.5 To help scheme employers maintain good levels of performance and or resolve any issues, the administering authority's employer liaison function will offer the following services:
- The opportunity for review meetings between a representative of the administering authority and the scheme employer to monitor and review performance against targets, the quality of information exchange and to ensure compliance with statutory obligations;
  - Seminars, training sessions, videos and other training materials on the most persistent issues affecting scheme members and scheme employers;
  - An annual employer forum;
  - A scheme employer helpline and dedicated inbox will be available from 9am until 5pm during normal working days to answer employer queries.
- 10.6 Poor performance by a scheme employer not only results in a negative member experience, it can also directly and/or indirectly increase the cost of administering the Fund. Regulation 70 of the Regulations provides that an administering authority may recover from a scheme employer any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that scheme employer.
- 10.7 If problems persist following the interventions mentioned above, the administering authority will seek to recover any additional costs caused by the poor performance of a scheme employer from that employer.
- 10.8 Where the administering authority wishes to recover any such additional costs a written notice will be given stating:
- The reasons in their opinion that the scheme employer's poor performance contributed to the additional cost;
  - The amount of the additional cost incurred;
  - The basis on how the additional cost was calculated; and
  - The provisions of the pension administration strategy relevant to the decision to give notice.
  - In instances where the performance of the scheme employer results in fines being levied against the administering authority by the pensions regulator, pensions ombudsman or other regulatory body, these costs will be recoverable immediately.

10.9 More detail on the circumstances where costs may be recovered, including a sample schedule of charges, can be found in appendix E.

## **11. Approval, Consultation and Review Process**

11.1 This strategy is reviewed by the Local Pension Board and subject to approval by the Pension Fund Committee before publication. It was last approved on **[Enter date]**.

11.2 The strategy will also be subject to a 30-day consultation with scheme employers before final publication

## **12. Further Information**

12.1 If you would like more information about the Fund please contact the administering authority at the address below:

Pensions Service  
West Northamptonshire Council  
The Guildhall  
St Giles Street  
Northampton  
NN1 1DE

[pensions@westnorthants.gov.uk](mailto:pensions@westnorthants.gov.uk)

<http://pensions.cambridgeshire.gov.uk/>

## Appendix A – Member Experience Performance Standards

- A1 The following are key indicators measuring the member experience. The target against each indicator is what the administering authority believes represents a reasonable expectation of member experience. Achieving these targets requires actions from both the scheme employer and administering authority. The performance targets for each activity have been split to show the requirements of each party.
- A2 Achieving these targets may also be dependent on various factors outside of either the scheme employer’s or administering authority’s control. In such instances, performance against the targets will be measured from the earliest point that either party has all information needed to complete the activity.

Function / Task	Legal requirement	Scheme employer target (working days)	Administering Authority target (working days)	Total Target
Provide basic scheme information to new joiners.	2 months from date of joining	Scheme employer to provide information about new joiners (using i-Connect) within 7 days after the end of the relevant calendar month	Issue basic scheme information within 15 days after receiving new starter notification	2 calendar months after the date of joining.
Provide Transfer-in quote	2 months from date of request	No information required from the scheme employer, but completion is dependent on receiving information from previous Pension provider.	Issue quotation within 10 working days of receipt of all appropriate information.	2 months from date of request

Provide quotation of cash equivalent transfer value upon request	3 months from date of request	No information required from the scheme employer but may be required to answer any data queries that arise.	Issue quotation within 10 working days of receipt of all information.	3 months from date of request.  <b>Only one quote provided per year</b>
Inform members who leave the scheme before retirement age, with no immediate entitlement to benefits, of their rights and options	2 months from date of leaving	Scheme employer to provide information about non-retiring members who leave the scheme (using i-Connect) within 7 days after the end of the relevant calendar month	Issue information about rights and options within 15 days of receiving notification of a member leaving the scheme	2 months after date of leaving.
Inform members who leave the scheme at or after retirement age and at or after their normal pension age, of the benefits due. <sup>1</sup>	Within 1 month of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.	Issue award within 10 days after date of being notified by the Scheme employer	Within 1 month of leaving date.
Inform members who leave the scheme, at or after retirement age but before their normal pension age, of the benefits due. <sup>2</sup>	Within 2 months of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.		Within 2 months of leaving date.

<sup>1</sup> This task relates to members who leave employment, with an immediate entitlement to benefits, after their retirement age (currently 55) and on or after their normal pension age (usually their state pension age).

<sup>2</sup> This task relates to members who leave employment after the earliest date they can retire (currently 55) but before their normal pension age (usually their state pension age) Page 108 of 166

Calculate and notify dependant(s) of value of death benefits	As soon as possible but no more than 2 months after date of becoming aware of death.	Notify the administering authority of the death of an LGPS eligible employee within 5 days of being notified of the death.	Notify any dependant(s) of the value of death benefits within 15 days of receipt of all information.	Within 2 months after date of death.
Provide responses to member enquiries	N/A	Respond to any request for information from the administering authority to help respond to the enquiry within 5 days.  <b>(See appendix D for details of the escalation process to be used if a response is not received by the deadline)</b>	Respond to member enquiry within 5 days of receiving all information needed to respond to the enquiry.	10 working days from the date enquiry is received.

Function / Task	Legal requirement	Scheme employer target (working days)	Administering Authority target (working days)	Total Target
Provide basic scheme information to new joiners.	2 months from date of joining	Scheme employer to provide information about new joiners (using i-Connect) within 7 days after the end of the relevant calendar month	Issue basic scheme information within 15 days after receiving new starter notification	2 calendar months after the date of joining.
Provide Transfer-in quote	2 months from date of request	No information required from the scheme employer, but completion is dependent on receiving information from previous Pension provider.	Issue quotation within 10 working days of receipt of all appropriate information.	2 months from date of request
Provide quotation of cash equivalent transfer value upon request	3 months from date of request	No information required from the scheme employer but may be required to answer any data queries that arise.	Issue quotation within 10 working days of receipt of all information.	3 months from date of request. <b>Only one quote provided per years</b>
Inform members who leave the scheme before retirement age, with no immediate entitlement to benefits, of their rights and options	2 months from date of leaving	Scheme employer to provide information about non-retiring members who leave the scheme (using i-Connect) within 7 days after the end of the relevant calendar month	Issue information about rights and options within 15 days of receiving notification of a member leaving the scheme	2 months after date of leaving.
Inform members who leave the scheme at or after retirement age and at or after their normal pension age, of the benefits due. <sup>3</sup>	Within 1 month of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.	Issue award within 10 days after date of being notified by the Scheme employer	Within 1 month of leaving date.

<sup>3</sup> This task relates to members who leave employment, with an immediate entitlement to benefits, after their retirement age (currently 55) and on or after their normal pension age (currently 60) (or after their normal pension age and on or after their normal pension age).

Inform members who leave the scheme, at or after retirement age but before their normal pension age, of the benefits due. <sup>4</sup>	Within 2 months of leaving date.	Scheme employer to submit a leaver notification (using i-Connect) within 7 days after the end of the relevant calendar month.		Within 2 months of leaving date.
Calculate and notify dependant(s) of value of death benefits	As soon as possible but no more than 2 months after date of becoming aware of death.	Notify the administering authority of the death of an LGPS eligible employee within 5 days of being notified of the death.	Notify any dependant(s) of the value of death benefits within 15 days of receipt of all information.	Within 2 months after date of death.
Provide responses to member enquiries	N/A	Respond to any request for information from the administering authority to help respond to the enquiry within 5 days.  <b>(See appendix D for details of the escalation process to be used if a response is not received by the deadline)</b>	Respond to member enquiry within 5 days of receiving all information needed to respond to the enquiry.	10 working days from the date enquiry is received.

<sup>4</sup> This task relates to members who leave employment after the earliest date they can retire (currently 55) but before their normal pension age (usually their state pension age) Page 111 of 166

## Appendix B – Performance Standards Relating to the Scheme employer only

Function	Task	Indicator
Nominate appropriate scheme employer representative	Confirm nominated representatives.	Representative confirmed within 30 working days of scheme employer joining fund or change to nominated representative.
Publish employer discretions policy	Must have published Employer Discretions, accessible by all employees and copy provided to the administering authority.	Discretions published and provided to administering authority within 90 days of joining the Fund.
Review discretions policy	Discretions must be reviewed and amended as necessary.	Any amendments to discretion must be confirmed in writing within 30 days from change.
Payment of employee and employer pension contributions.	Arrange for the correct deduction of employee and employer contributions and pay over in a timely manner.	Contribution payment and remittance are received by the administering authority by the 19 <sup>th</sup> of the month following collection.
Payment of additional voluntary contributions.	Correctly apply instructions received from an Additional Voluntary Contribution (AVC) provider relating to an employees election to pay AVCs and/or vary the amount of contributions paid into or cease an existing AVC arrangement.	Within 1 calendar month of receipt of notification from the AVC provider.
Payment of AVC contributions.	Pay over to the specified AVC provider contributions deducted from a member's pay.	Within 5 working days of deduction from pay.
Provide new members with scheme information.	Provide new employee members with scheme information.	Within 25 working days of the employee joining the LGPS.
Determine appropriate employee contribution rates.	Determine appropriate rate of employee contributions for members of the LGPS.	New starters: Before first salary payment. Existing members: On 1 April each year and as specified in your employer discretions policy.
Submission of monthly membership data.	Submit monthly member data using the administering authority's prescribed process (i-Connect), including information about new starters, job changes and leavers.	i-Connect submission to be received by the administering authority within 7 working days after the end of the relevant calendar month.  <b>(See appendix D for details of the escalation process to be used for i-connect submissions)</b>



Process leavers <b>NOT</b> entitled to immediate payment of benefits	Determine reason for an employee leaving the scheme, calculate final pay (for those with membership before 1 April 2014) and issue entitlement award to the member for leavers NOT entitled to immediate payment of pension.	<b>Entitlement award:</b> To be issued to the member within 2 calendar months after date of leaving. <b>Final Pay calculation:</b> To be calculated and included in i-Connect submission within 7 working days after the end of the relevant calendar month.
Process leavers with an immediate entitlement to payment of benefits.	Determine reason for an employee leaving the scheme. Calculate final pay (for those with membership before 1 April 2014), Issue entitlement award and retirement pack to the member Submit leaver notification form to the administering authority.	<b>Final pay calculation:</b> To be calculated and included on leaver notification form. <b>Issue of entitlement award and retirement pack to the member:</b> Within 1 month of leaving date if at or over normal pension age or within 2 months if under normal pension age. <b>Submit leaver notification form to the administering authority:</b> No later than 10 working days before the date of leaving.
Respond to enquiries from the administering authority	Respond to enquiries in respect of retirements, estimate, pay information and any other queries related to administering member benefits	Query resolved within 5 working days  <b>(See appendix D for information on the escalation process to be used for member related queries.)</b>
Change of payroll provider	Inform the administering authority of changes to payroll provider or any change to payroll system that will result in a change of payroll references for large groups of staff.	Notification to be issued to the administering authority at least 2 calendar months before the change.

## Appendix C – Performance Standards Relating to the administering authority only

Function	Task	Indicator
<b>LIAISON AND COMMUNICATION</b>		
Nominate employer liaison officers	Confirm nominated employer liaison officers	10 working days of scheme employer joining fund or change to nominated officer
Publish Administration strategy	Publish and keep under review the administration strategy.	Administration strategy to be reviewed on a triennial basis and published within 1 calendar month of changes being approved by the Pension Fund Committee
Maintain pension fund website	Keep the employer website up to date, including procedural guides, scheme guide and all other documents and forms	20 working days from date of change/amendment
Develop and review Fund policies	Formulate and publish policies in relation to all areas where the administering authority may exercise a discretion within the scheme	Policies to be developed as required and reviewed on a triennial basis and published within 1 calendar month of policy being agreed by the Pensions Committee
Provide training for Scheme employers upon request	Organise training sessions for scheme employers upon request, subject to fair use of training resource	Training dates to be agreed within 1 calendar month of request from the scheme employer
Communicate changes to scheme rules	Notify scheme employers and scheme members of changes to the scheme rules	Within one calendar month of the effective date of the change.
Liaise with scheme employers over poor performance	Notify the scheme employer of any issues relating to its poor performance (including arranging meeting if required)	Within 20 working days of performance issue becoming apparent.  <b>(See appendix D for information on the escalation process to be used when managing employer performance.)</b>
Notify scheme employers when additional costs will be recovered	Notify the scheme employer of any costs recoverable under this Strategy associated with their poor performance (including any interest that may be due)	Within 20 working days of the event or according.  <b>(See appendix D for information on the escalation process to be used when managing employer performance.)</b>

Function	Task	Indicator
Issue annual benefit statements to active members	Issue annual benefit statements to active members as at 31 March each year  Statements will be published to member's online pension account, unless they have provided a written instruction to opt out of electronic communications.	Statements to be published on the members online pension account by the following 31 August  <b>(pending timely receipt of satisfactory membership data from the scheme employer).</b>
Issue annual benefit statements to deferred members	Issue annual benefit statements to deferred benefit members as at 31 March each year.  Statements will be published to member's online pension account, unless they have provided a written instruction to opt out of electronic communications.	By the following 30 June.
<b>FUND ADMINISTRATION</b>		
Triennial Valuation	Issue formal valuation results (including individual scheme employer details)	no later than 31 March following the valuation date)
Cessation Valuations	Carry out a cessation valuation exercise on cessation of admission agreements or scheme employer ceasing participation in the pension fund.	Initiated within 40 days with Fund Actuary plus results issued to scheme employer within 2 months of clean data
Exit Credit Determination	Where the cessation valuation identifies a funding surplus, carry out an exit credit determination and if appropriate pay an exit credit to the exiting employer.	6 calendar months from receiving the results of the cessation calculation.
Publish Governance Policy Statement	Publish, and keep under review, the administering authority's governance policy statement	Within 30 working days of policy being agreed by the Pensions Committee

Function	Task	Indicator
Publish Funding Strategy Statement	Publish and keep under review the pension fund's funding strategy statement.	To be reviewed at each triennial valuation, following consultation with scheme employers and the Fund's Actuary.  Revised statement to be issued with the final valuation report.
Publish Annual Report	Publish the pension fund annual report and any report from the auditor.	By 31 August following the year end
Provide scheme employer accounting reports	Provide an accounting valuation report to scheme employers, on request, for their chosen accounting date	Within one calendar month following the accounting date providing scheme employer has agreed to costs and returned required data by 1 <sup>st</sup> of the month in which the accounting date falls
<b>SCHEME ADMINISTRATION</b>		
Provide transfer-in quote	Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information
Confirm transfer-in payment	Confirm transfer-in payment and service credited to scheme member	Letter issued within 10 working days of receipt of transfer payment by pension fund (or receipt of all information needed to complete calculations if later)
Notify scheme employer of scheme members' elections to pay or cease additional pension contributions	Notify the scheme employer of scheme member's election to pay or cease paying additional pension contributions and other contracts, including all required information to enable deductions to commence or finish.	Email sent within 5 working days of receipt of election from scheme member

Function	Task	Indicator
Employer estimate requests	Provide requested estimates of benefits to scheme employers including any additional funding strain costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency	Estimate in agreed format provided within 10 working days from receipt of all information
Member estimate request	Provide a maximum of one estimate of benefits to employees within 12 months of retirement per year on request.  <b>(Members can obtain their own estimate using their online pension account if more than 12 months from planned retirement date.)</b>	Estimate in agreed format provided within 15 working days from receipt of all information
Cash Equivalent Transfer Value	Provide a maximum of one cash equivalent transfer value (CETV) to employees per year on request	Provided within 10 working days from receipt of all information
Provide quotation for pension sharing order for divorce cases	Provide a divorce quotation to employees on request	Provided within 10 working days from receipt of all information
Issue Deferred benefit entitlement award	Notify leavers of deferred benefit entitlements.	Issue award within 20 working days of receiving all necessary information.
Issue retirement benefits award	Notify employees retiring from active membership of benefits award.	Issue award within 10 working days after payable date or date of receiving all necessary information if later.
Payment of pension benefits	Commence payment of ongoing pension (not including the first pension payment).	Eligible payments made on the publicised payment date.
Acknowledge death of an active/deferred/pensioner member	Acknowledge death of active/deferred/pensioner member.	Letter issued within 5 working days following notification of death
Respond to member and employer enquiries	Provide responses to enquiries from scheme members, scheme employers, personal representatives, dependents and other authorised persons	Full response within 10 working days from receipt of all information needed to respond to enquiry.

Function	Task	Indicator
Respond to member and employer enquiries	Where a full response will not be available within the published service standards send an acknowledgement and provide the expected timescale.	Acknowledgement within 5 working days from receipt of initial enquiry
Appoint an adjudicator for stage 2 of the internal disputes resolution procedure	Appoint “appointed person” for the purposes of considering stage 2 applications under the pension internal disputes resolution process and notify all scheme employers of the appointment	Within 30 working days following the resignation of the current appointed person”
Process applications for stage 2 if the internal disputes resolution procedure	Process all stage 2 pension dispute applications	Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required.

## Appendix D – Escalation Processes

### D1 Escalation process for provision of i-Connect

Stage	Actions	Response expected from scheme employer
1	The scheme employer/payroll provider is informed of non-compliance and the case is logged for future reference. The person who normally submits the monthly return will be contacted within 1 working day of the deadline being missed.	5 working days
2	Non-compliance will be escalated to the line manager of the person who normally submits the monthly return.	3 working days
3	Non-compliance will be escalated to the employer contact with overall responsibility for pension matters. The scheme employer will be informed that if the monthly return is not received by the end of the calendar month, charges will be raised to cover the cost of the additional work involved with late data processing.	End of calendar month
4	Non-compliance will be escalated to the most senior contact at the scheme employer to inform them of the failure to provide data and the charge due for non-compliance.	5 working days

### D2 Escalation process for individual queries

Stage	Actions	Response expected from scheme employer
1	Query to be raised with day-to-day contact at the scheme employer or payroll provider.	5 working days
2	Query to be escalated to the line manager of the day-to-day contact and scheme employer informed that: <b>Warning:</b> If a response is not received the benefit calculation will be made using the data provided and charges will be applied if a later recalculation is required. <b>Error:</b> A response must be received and the matter will be further escalated if the query is not resolved.	3 working days
3	<b>Warning:</b> Benefit calculation to be made using the data provided. <b>Error:</b> Query to be escalated to the employer contact with overall responsibility for pension related matters. Scheme employer warned that if the query is not resolved, assumptions will be made based on the correct data already held by the administering authority to ensure payment can be	3 working days

	made within expected timescales but the query will still be pursued. Any assumptions will be made in a way that favours the member.	
4	<b>Error:</b> The query will continue to be raised with the scheme employer and charges will be applied on a monthly basis until the query is resolved. Charges will be used to cover the cost of chasing the query and the recalculation of benefits, once resolved.	Immediately

### D3 Escalation process for bulk queries

Stage	Action	Response expected from scheme employer
1	Bulk queries to be sent to the day-to-day contact at the scheme employer or payroll provider.	Appropriate deadline to be agreed depending on the urgency, volume and complexity of the queries being raised.
2	If agreed deadline is not fully met and a new deadline has not been agreed, the outstanding queries will be escalated to the director or equivalent responsible for HR/Payroll matters within the scheme employer unless specifically instructed otherwise.	Urgent cases: 5 working days  Non-urgent cases: 10 working days
3	Outstanding queries to be escalated to the contact at the scheme employer with overall responsibility for pension matters. The scheme employer will be warned that if the issue is not resolved charges will be applied to recover additional costs.	Urgent cases: 3 working days  Non-urgent cases: 5 working days
4	Outstanding queries to be escalated to the most senior contact at the scheme employer and the additional costs incurred will be recovered from the scheme employer.	Urgent cases – 2 working days  Non urgent cases – 3 working days



## Appendix E - Circumstances where costs might be recovered

- E1 The circumstances where such additional costs will be recovered from the scheme employer are:
- Failure to provide information to the administering authority within the requirements of this strategy due to either missing required deadlines or providing poor quality information;
  - Failure to pass relevant information to the scheme member or potential members, either due to poor quality of information or not meeting the agreed timescales outlined in the performance targets in this strategy;
  - Instances where the poor performance of a scheme employer requires work carried out by the administering authority to be reversed and/or amended;
  - Failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales;
  - Instances where the performance of the scheme employer results in fines being levied against the administering authority by the pensions regulator, pensions ombudsman or other regulatory body;
  - Failure to provide monthly membership data using i-Connect within the timescales set out in this strategy;
  - Instances where an act or failure to act by a scheme employer results in an unauthorised payment under the Finance Act 2004 which results in the administering authority being subject to a tax liability;
  - Instances where an act or failure of a scheme employer results in a benefit being incorrectly awarded and the subsequent overpayment is not able to be recovered from the scheme member;
  - Instances where an admission agreement is required/requested in relation to a transfer of staff but due to delays created by the scheme employer or the admission body, the agreement is not in place the transfer date;
  - Any other scenario where additional costs are incurred directly or indirectly as the result of poor performance by a scheme employer.
- E2 In the case of poor performance by a third-party HR/Payroll provider, on behalf of a scheme employer, the administering authority will first engage with the provider in the same manner as described above.
- E3 If any issues persist beyond initial attempts to resolve the matter, the scheme employer will be informed according to the escalation process set out above. If issues still persist, the scheme employer will be responsible for any additional costs incurred by the administering authority.
- E4 The value of any charges raised to recover additional costs incurred by the poor performance on a scheme employer will reflect the number of staff hours required dealing with the impacts of the employer's actions or inaction plus any additional fees incurred by third party providers that otherwise would not have been incurred.
- E5 Any further costs incurred as a result of non-payment of invoiced additional costs will also be passed on to the relevant scheme employer.

E6 The charges below are an example of situations where charges will be raised and does not cover all possible scenarios. The charges shown in the table are also illustrative and the actual charges may be higher (or lower) depending on the scenario.

Employer Scheme Function/Administration process	Description	Illustrative
Monthly contribution payment	Late payment of employee, employer contributions including any additional pension contributions (APC/ARC/Added years) to the administering authority by the 19 <sup>th</sup> of the month following deduction.	£100 if no interest charge Additional £120 if interest needs to be calculated  Interest payable at prevailing rate if payment more than 30 days late.
Provision of monthly contribution payment schedule	Schedule of payments not submitted to the administering authority by the 19 <sup>th</sup> of the month following deduction.	£100 per late submission
Provision of monthly membership data	Failure to submit i-connect return within 10 working days of the end of the relevant calendar month.	£400 per data file and a further £200 for each month the data is outstanding.  Any fines for breaches of statutory duties as a result of failure to provide data monthly will also be passed on to the scheme employer
Leavers (non-retirement)	Failure to provide a leaver notification, including leaving date and reason for leaving via i-Connect (including internal job moves)  Poor data provided including inaccurate pay details resulting in a recalculation of deferred benefits or refund.	£70 per notification A further £45 for each month the notification is outstanding  £150 per record that needs to be recalculated.  £100 for each record

Employer Scheme Function/Administration process	Description	Illustrative
		incorrectly reported as a leaver.
Incorrect reporting of starters and leavers <sup>5</sup>	Scheme employer incorrectly provides starter and leaver notifications resulting in a new pension record being created and the existing record changed to non-active and potential amalgamation of records that needs to be reversed.	£200 for each member incorrectly reported as leaving one employment and starting another.  This higher rate reflects the number of processes impact by such a notification and the work involved to reverse any action taken on the notification
Retirement	Scheme employer has not notified the administering authority that a member is due to retire within 10 working days before date of leaving.  Non-provision of retirement form, poor data detailed on the form – particularly inaccurate pay details.	£180 per notification  A further £80 for each month the notification remains outstanding  These higher rates reflect the fact the retiree will be chasing the administering authority for their pension
Data queries	Scheme employer has not responded to data queries and the escalation process has been exhausted.	£100 per omission A further £60 per month of non-response or unsatisfactory replies

<sup>5</sup> Starter and leaver notifications should only be received where there is a genuine change of employment, e.g. a member has changed job role within a scheme employer or left that employer entirely. Starter and leaver notifications should not be sent for a change to a member's current employment or pay or if a member is seconded to another role.

## Appendix F – Glossary

### A

#### **Added years**

Added Years is an old arrangement in operation before 1 April 2008 where additional years of service could be purchased to increase a members LGPS pension benefits.

#### **Additional pension contributions**

Additional Pension Contributions, or APCs, are extra payments to the pension fund to increase a member's LGPS pension benefits. APCs can be used to buy back lost pension following certain types of unpaid leave or to buy additional pension.

#### **Additional regular contributions**

Additional Regular Contributions, or ARCs, is an old arrangement in operation before 1 April 2014 where regular additional contributions could be paid to increase a member's LGPS pension benefits.

#### **Additional voluntary contributions**

Additional Voluntary Contributions, or AVCs, is a defined contribution arrangement where contributions are invested by a third party AVC provider (chosen by the pension fund) on its' members behalf to build up additional pension benefits that can be taken as a lump sum, a monthly income or used to buy extra LGPS benefits at retirement.

#### **Administering authority**

The LGPS is administered locally by 86 local pension funds. The administering authority is the body responsible for each fund. For the Cambridgeshire pension fund, the administering authority is Cambridgeshire County Council.

#### **Admission agreement**

A legal agreement allowing certain private companies and charities (Admission bodies) to participate in the LGPS.

#### **Amalgamation**

Joining together previous and current LGPS pension benefits from within the same or another LGPS pension fund.

#### **Annual benefit statement**

A document issued to active and deferred members on an annual basis informing them of the current and estimated future value of their pension benefits at the end of each scheme year.

### **Appointed person**

The person named by the administering authority responsible for reviewing disputes at stage 2 of the pension fund's dispute resolution process.

### **Automatic enrolment**

Automatic enrolment is the term used to describe an employer's duty to automatically enrol employees who meet certain criteria into a qualifying workplace pension scheme.

## **B**

### **Benefits award**

Confirmation provided to a member, following the end of active membership in an employment, of the benefits they are entitled to in relation to the employment that is ending.

### **Benefits and governance advisor**

External consultants advising the pension fund on matters concerning the governance of the pension fund and developments to the LGPS affecting members benefits.

## **C**

### **Cash equivalent transfer value**

A cash value given to pension benefits for the purpose of moving those benefits into or out of the Cambridgeshire Pension Fund.

### **Cessation valuation**

A final valuation of a scheme employer's pension assets and liabilities when that employer ends participation in the pension fund.

### **CIPFA benchmarking club**

The CIPFA benchmarking club facilitated by the Chartered Institute of Public Finance and Accountancy (CIPFA) collects information from participating pension funds and provides comparative analysis of the volumes and processing costs for administering the LGPS.

## **D**

### **Deferred benefits**

Deferred benefits are the pension benefits held within the pension fund for a member who has stopped building up new benefits in the LGPS but is not receiving payment of their pension benefits.

## **Dependant benefits**

Dependant benefits are pension benefits that may be paid to a member's spouse/civil partner, eligible co-habiting partner and/or eligible children when a member dies. These are also called Survivor's pension or Survivor's benefits.

## **Discretions**

Discretions are powers given to employers and administering authorities, by the LGPS, to choose how to apply the Scheme rules in certain situations. A guide to these discretions is available on the [LGPS Regulations and Guidance website](#).

## **E**

### **Eligible child**

An eligible child is:

- a natural child born before, on or within 12 months of a member's death
- an adopted child born before or on the date of the member's death
- a step-child or a child accepted by the deceased member as a member of the family who was dependent on the member at the date of death.

A child sponsored by the member through a registered charity is not an eligible child.

An eligible child must also be:

- under age 18, or
- aged under 23 and in full-time education or vocational training. The administering authority can continue to treat a child as an eligible child even if there has been a break in full-time or vocational training, or
- under age 23 and unable to engage in gainful employment because of physical or mental impairment, or
- over age 23, unable to engage in gainful employment because of permanent physical or mental impairment and the child was dependent on the member at the date of death because of that impairment. An independent registered medical practitioner must give their opinion on whether the impairment is likely to be permanent.

### **Eligible cohabiting partner**

An eligible cohabiting partner is a partner who lives with a member and who, at the date of the member's death, has met all of these conditions for a continuous period of at least two years:

- the member and their cohabiting partner are, and have been, free to marry each other or enter into a civil partnership with each other, and
- the member and their cohabiting partner have been living together as if they were a married couple or civil partners, and

- neither the member nor their cohabiting partner has been living with someone else as if they were a married couple or civil partners, and
- either the cohabiting partner is and has been dependent on the member, or they are and have been financially interdependent on each other.

## F

### **Final pay**

Final pay is the figure used to work out final salary benefits in the LGPS. Final pay is usually the pay due for the final year of Scheme membership. For part time employees Final pay is based on the pay they would receive if they worked full time. Final pay includes:

- normal pay
- contractual shift allowance
- bonus
- contractual overtime
- maternity, paternity, adoption or shared parental pay
- any other taxable benefit specified in the employment contract as being pensionable.

Final pay does not include non-contractual overtime.

### **Formal valuation**

A valuation, carried out every three years, of the pension assets and liabilities held by each employer in the pension fund.

### **Fund actuary**

External consultants advising the pension fund on matters concerning the funding of the pension fund's liabilities and managing employer risk. The Fund actuary carries out various valuations of the pension fund's assets and liabilities, assists the administering authority with developing its funding strategy statement and recommends appropriate contribution rates for each employer.

### **Funding strategy statement**

A policy document setting out a transparent fund-specific strategy for how employer's pension liabilities will be funded. This document underpins the formal valuation and the process for setting employer contribution rates.

## L

### **Leaver**

An active member who ceases membership of the LGPS as a result of ending an employment. This includes someone who leaves employment voluntarily or who's employment is terminated by the employer.

### **Local government**

The term local government within this document covers

- County, District and Borough councils
- Combined local authorities
- Police and Fire service civilian staff
- Town and Parish Council's
- Local authority schools (non-teaching staff)
- Academy trusts (non-teaching staff)
- Sixth form colleges (non-teaching staff)
- Further or Higher education establishments (non-teaching staff)
- Other tax raising bodies

### **Local government pension scheme (LGPS)**

The LGPS is a national pension scheme for people working in local government or working for other employers that participate in the scheme.

### **Local pension board**

The Local pension board is made up of employer and member representatives and provides assistance to the scheme manager with the administration of the pension fund.

## **M**

### **Membership data**

Employment information required to calculate a member's pension benefits as specified by the pension fund.

## **N**

### **New active member**

A new or existing employee who is joining the LGPS in a new employment.

## **P**

### **Pension fund (Fund)**

The LGPS is split into 86 local pension funds. The pension fund or simply "Fund" is the collective term for both the employers participating in the LGPS within Cambridgeshire and the monies held to pay the benefits of those employers' members.

The pension fund is administered by the administering authority and overseen by the pension fund committee and local pension board.

### **Pension fund committee**



The Pension Fund Committee is the ultimate decision maker for the pension fund. Its members act as 'quasi-trustees'. The pension fund committee decides the overall policy objectives, strategy and operation of the pension fund in line with the relevant legislation. It also decides the strategy for the investment of pension fund money

### **Pensions regulator**

The pensions regulator is the official regulator of workplace pension schemes and is responsible for ensuring the pension schemes operating in the UK are managed in line with UK law.

### **Pensions ombudsman**

The pensions ombudsman is the official body responsible for investigating complaints regarding pensions in the UK.

## **R**

### **Retirement**

In this document retirement refers to the act, by an active or deferred member, of taking immediate payment of LGPS benefits following the end of a relevant employment regardless of whether that person stops all employment.

### **Retirement form**

Form that must be submitted to the administering authority, by a scheme employer, in advance of an active member leaving an employment who should or chooses to receive immediate payment of their pension benefits.

## **S**

### **Scheme**

The Local Government Pension Scheme

### **Scheme advisory board**

The Scheme Advisory Board is a body set up under the Regulations providing advice and guidance related to the LGPS. The purpose of the Scheme Advisory Board is to encourage best practice, increase transparency and coordinate technical and standards issues.

### **Scheme employer**

An employer participating in the pension fund with current employees enrolled in the LGPS.

### **Scheme member**

An individual with pension benefits in the LGPS or who is in receipt of pension benefits from the LGPS. Members are categorized as:

- **Active member:** A current employee of a scheme employer building up pension benefits in the LGPS.
- **Deferred member:** A person who has pension benefits in the LGPS but who is neither building up new benefits in, or receiving payment of pension benefits from, the LGPS.
- **Pensioner member:** A person who receives payment of pension benefits from the LGPS. This may be someone who was an active member in the LGPS or a dependant of someone who was an active member of the LGPS and is being paid dependant benefits.

### **Scheme year**

The Scheme year runs from 1 April to 31 March.

## **T**

### **Transfer-in**

The act, by a scheme member, of moving previous pension benefits from another pension fund or scheme into the Cambridgeshire pension fund.

### **Transfer-out**

The act, by a deferred member, of moving pension benefits from the Cambridgeshire Pension Fund to another pension fund or scheme.

# **CAMBRIDGESHIRE PENSION FUND**

## **ADMINISTRATION STRATEGY**

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## 1. Introduction

This document is the Administration Strategy of Cambridgeshire Local Government Pension Fund managed by Cambridgeshire County Council respectively (the administering authority).

The aim of this strategy is to set out clearly what is expected from the administering authority and the Fund's employers, in order to deliver a high quality, value for money service to scheme members.

## 2. Administration Strategy

This version of the Administration Strategy was reviewed and agreed by the Pension Fund Committee on 8 December 2020. It will be reviewed periodically to ensure the strategic objectives remain relevant.

A separate Business Plan including actions in relation to administration matters is produced and published annually. This outlines how the administering authority intends to deliver this strategy, including how we achieve our objectives, the measurements we have in place to monitor our success and a timetable of events.

### Regulatory framework

This strategy has been produced in accordance with Regulation 59 of the Local Government Pension Scheme Regulations 2013. The Regulations 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.

The Regulations also require that the administering authority should consult with its employing authorities (and any other persons it considers appropriate) in preparing or reviewing its administration strategy.

In addition, regulation 70 allows 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. Where this situation arises the administering authority is required to give written notice to the scheme employer, setting out the reasons for believing that additional costs should be recovered, the amount of the additional costs, together with the basis on which the additional amount has been calculated.

This Administration Strategy therefore sets out the information as required by the Regulations mentioned above.

Nothing in this strategy overrides the legal responsibilities of any parties, for example the statutory requirement<sup>1</sup> to notify the Pension Regulator in the event of a material breach of the law.

### Key objectives

This strategy has been developed to help the Fund meet the following 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.
- 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.
- To put in place performance standards for the Fund and its employers and ensure

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<sup>1</sup> Under section 70 of the Pensions Act 2004

these are monitored and developed as necessary.

- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- To maintain accurate records and ensure data is protected and used for authorised purposes only.
- To ensure cash flows in to and out of the Fund are timely and of the correct amount.

Measurements are in place to determine if these objectives are being met, which are published in the Administration Section of the Fund's business plan.

## Delivering the Objectives

### Procedures for liaison and communication with employers and other stakeholders

The delivery of a high quality administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals in different organisations to ensure scheme members, and other interested parties, receive the level of service in line with the Fund's objectives as well as ensuring that statutory requirements are met.

In particular, the administering authority relies on employers to provide them with the appropriate information to maintain accurate records and pay accurate benefits. The Fund acknowledges that this is a partnership arrangement, underlined by strongly targeted performance measures, as shown below:

- Providing a named contact (and deputy) at the Fund for all employer communications and queries
- Providing clear instructions and forms/interfaces to allow seamless transfer of information by employers
- Provide information within the performance standards outlined in this Strategy
- Ensure all information provided is correct by having an appropriate quality review process in place

In return, the employers within the Fund are expected to:

- Provide a named contact (and deputy) at the employer for all Fund communications and queries. Where multiple contacts are provided (for different duties) name one person who is ultimately responsible for ensuring the employer carries out their roles and responsibilities.
- Provide information to the Fund as outlined in instructions using the Fund's approved forms and/or interfaces
- Aim to provide information within the performance standards outlined in this Strategy

- Ensure all information provided is correct by having appropriate quality review in place

Full details of the procedures for liaison and communication between the Fund and its stakeholders are included within the Fund's communication strategy.

### **Performance Standards**

The Fund will ensure that all functions/tasks are carried out to the agreed quality standards. In order to comply with both the Regulatory requirements and the Fund's objectives, the administering authority aims to achieve a high quality administration service and timeliness of performance. Strong review of performance measures will determine this.

### **Procedures for ensuring compliance with statutory requirements and measuring levels of performance**

Various means will be employed, as determined from time to time, to assist in monitoring compliance with this Administration Strategy.

Methods may include:

- Internal/External Audit review of processes and internal controls
- Performance monitoring against administering authority tasks noted in Appendix C.
- Performance monitoring of the scheme employers against Appendix B.
- Compare performance against other Administering Authorities by using CIPFA Pensions Benchmarking club
- The Fund's scheme employer liaison function will offer the following services:
  - The opportunity for a biennial review meeting between a representative of the administering authority and the scheme employer to monitor and review performance against targets, the quality of information exchange and ensure compliance with statutory obligations.
  - Seminars and training sessions, including webinars, on the most pertinent issues affecting Fund members and employers
  - A scheme employer Forum will be held, at least on an annual basis
  - A scheme employer Helpdesk is available from 9am to 5pm during normal working days to answer queries by telephone or email.

### **Improving Administration**

Using the means mentioned above, the Fund will monitor progress against this strategy. This information is reported to the Fund's Pension Committee and Pension Board alongside any remedial action taken where the expected standards are not being met. In addition, key performance indicators relating to the Fund and its employers' performance will be reported in its Annual Report and Accounts.



## **Circumstances where the administering authority may levy costs associated with the employing authorities poor performance**

Regulation 70 of the Local Government Pension Scheme Regulations 2013 provides that an administering authority may recover from an employing authority any additional costs associated with the administration of the scheme incurred as a result of the poor level of performance of that employing authority. Where an administering authority wishes to recover any such additional costs they must give written notice stating:

- The reasons in their opinion that the scheme employer's poor performance contributed to the additional cost;
- The amount of the additional cost incurred;
- The basis on how the additional cost was calculated; and
- The provisions of the pension administration strategy relevant to the decision to give notice.
- In instances where the performance of the scheme employer results in fines being levied against the administering authority by the Pension Regulator, Pensions Ombudsman or other regulatory body, these costs will be recoverable immediately.

### **Circumstances where costs might be recovered**

It is the policy of the Fund to recover additional costs incurred in the administration of the Scheme as a direct result of the unsatisfactory level of performance of any scheme employer.

The circumstances where such additional costs will be recovered from the scheme employer are:

- failure to provide relevant information to the Fund, scheme member or other interested party in accordance with specified performance targets in this Administration Strategy (either as a result of timeliness of delivery or quality of information)
- failure to pass relevant information to the scheme member or potential members, either due to poor quality of information or not meeting the agreed timescales outlined in the performance targets in this Administration Strategy
- failure to deduct and pay over correct employee and employer contributions to the Fund within the stated timescales
- Instances where the performance of the scheme employer results in fines being levied against the Fund by the Pensions Regulator, Pensions Ombudsman or other regulatory body.
- Instances where an act or failure to act by an employer results in an unauthorised payment under the Finance Act 2004 which results in the Fund being subject to a tax liability.
- Instances where an act or failure of a scheme employer results in a benefit being incorrectly awarded and the subsequent overpayment is not able to be recovered from the scheme member.

The approach by the Fund when such instances occur is as follows:

1. Write to the employer noting the Fund's areas of concern regarding the employer's performance and offer training or a meeting to address the issue.

Note that some performance standards are expressed as a percentage less than 100%. This recognises that for certain, often high volume, work there may be legitimate reasons why 100% compliance with a target is not possible. For these categories the target is measured monthly in order to highlight areas of potential concern.

- 2a. If no improvement is made within one month of the above date, or where the matter in question is not a regular event and no improvement is made at the next occasion that that same matter occurs, **and the offer of training or a meeting has not been accepted**, the Fund will issue a formal written notice. The notice will set out the area(s) of concern that have been identified, the steps taken to resolve those area(s) and notice that the additional costs will now be reclaimed.

**OR**

- 2b. If no improvements is made from one month following either a training session or a meeting with the scheme employer, or where the matter in question is not a regular event and no improvement is made at the next occasion that that matter occurs following the training or meeting, the Fund will issue a formal written notice. The notice will set out the area(s) of concern that have been identified, the steps taken to resolve those area(s) and notice that the additional costs will now be reclaimed.

3. An invoice will then be issued to the scheme employer which sets out calculations of any loss resulting to the Fund, or additional cost, taking account of time and resources in resolving the specific area(s) of unsatisfactory performance, in accordance with the fee scale set out in this document.

4. All instances of additional costs recharges will be presented to the Pension Committee and Pension Board.

All communications will be directed to our most senior contact within a scheme employer organisation from the beginning of this process. In the case of poor performance by a third party HR/payroll supplier, the relevant scheme employer will be informed of action being taken from the outset of the process.

**Any costs recovered will be paid into the Pension Fund to reduce the administration cost to all scheme employers in the Fund.**

#### Illustrative additional administration costs

Based on the Fund's experience of dealing with late or inaccurate information, we have been able to make accurate estimates of the amount of additional resource required in order to remedy the problems this causes. The costs below reflect the additional resource required to chase information and correct inaccurate data. They also reflect the fact that having to re-run calculations multiple times as a result of poor data presents an opportunity cost as staff would be otherwise more productively engaged.

Note that any further costs incurred as the result of non-payment of invoiced additional costs will also be passed on to the relevant scheme employer.

As such the fees shown below are illustrative and may be higher (or lower) if individual circumstances are atypical.

<b>Scheme Employer Function/Administration process</b>	<b>Description</b>	<b>Illustrative</b>
<b>Monthly contribution pay over</b>	Late payment of employee, employer and additional pension contributions (APC/ARC/Added years) to the Fund by the 19 <sup>th</sup> of the month following Deduction.  No schedule of payments sent and received by the Fund.	£80 if no interest charge  Additional £100 if interest needs to be calculated  Interest payable at prevailing rate if payment more than 30 days late: £80
<b>New active member</b>	Scheme employer has not notified the Fund within 10 working days of the relevant calendar month end.	£50 per notification  A further £30 for each month the notification is outstanding
<b>Leavers (non-retirement)</b>	Scheme employer has not notified the Fund of any leaver.  The late or non-provision of a leaver form.  Poor data detailed on the form, in particular inaccurate pay details.	£50 per notification  A further £30 for each month the notification is outstanding
<b>Retirement</b>	Scheme employer has not notified the administering authority that a member is due to retire within 10 working days before date of leaving.  Non-provision of retirement form, poor data detailed on the form – particularly inaccurate pay details.	£160 per notification  A further £80 for each month the notification remains outstanding  These higher rates reflect the fact the retiree will be chasing the administering authority for their pension

Scheme Employer Function/Administration process	Description	Illustrative
<b>Monthly/annual membership data</b>	<p>Scheme employer has not provided monthly data within 10 working days of the relevant calendar month end and/or quality of data provided is poor and requires manual intervention.</p> <p>Scheme employer has not provided year end data by the 30<sup>th</sup> April and/or quality of data provided is poor and requires manual intervention and additional data cleansing.</p>	<p>£400 per data file</p> <p>A further £200 per month the data is outstanding</p>
<b>Monthly/Annual data queries</b>	<p>Scheme employer has not responded to queries regarding submitted monthly or annual data within 10 working days of this request or the response has been unsatisfactory and queries remain outstanding</p>	<p>£100 per omission</p> <p>A further £60 per month of non-response or unsatisfactory replies</p>

### Further information

If you would like more information about the Scheme please contact us at the address below:

Pensions Service  
West Northamptonshire Council  
The Guildhall  
St Giles Square  
Northampton  
NN1 1DE

[penemployers@westnorthants.gov.uk](mailto:penemployers@westnorthants.gov.uk)

<http://pensions.cambridgeshire.gov.uk/>

### 3. Appendix A – Whole Fund Administration Performance Standards

The following are key indicators where the target can only be achieved by the Administering Authority and Employing Authorities both delivering high levels of administration.

Function / Task	Indicator	Target
Notify leavers of deferred benefit entitlements	Deferred award letter sent within 40 working days of last day of employment.	90%
Notify employees retiring from active membership of benefits award	Issue award within 5 working days after payable date or date of receiving all necessary information if later.	95%

## Appendix B –Employer Performance Standards

The following are the performance targets that the Employer will be expected to meet.

Function/Task	Indicator	Target
Confirm nominated representatives	Representative confirmed within 30 working days of employer joining fund or change to nominated representative	100%
Arrange for the correct deduction of employee and employer contributions and pay over in a timely manner for both monthly and annual returns.	Number of months in the year where contributions were in the Pension Fund by the 19 <sup>th</sup> calendar day of month after deduction	100%
Upon receipt of a notification from an Additional Voluntary Contribution (AVC) provider of an employee's election to pay, vary the amount or cease AVCs (or Shared Cost AVCs where applicable), to apply the notification accordingly and where applicable deduct from a member's pay the contributions as instructed by the AVC provider.	Within 1 month of receipt of notification from the AVC provider	100%
Pay over to the specified AVC provider contributions deducted from a member's pay.	Within 7 days of deduction from pay	100%
Must have published Employer Discretions, accessible by all employees and copy provided to the administering authority.	Discretions published and provided to administering authority within 30 days of approval	100%
Discretions must be reviewed and amended as necessary.	Any amendments to discretion must be confirmed in writing within 30 days from change	100%

Function/Task	Indicator	Target
Upon receipt of a notification of an employee's election to pay Additional Regular Contributions, to apply the notification accordingly and where applicable deduct from a member's pay and pay over the contributions as instructed.	Within 1 month of notification	100%
Respond to enquiries in respect of retirements, estimates or any other query identified as urgent.	Response received within 5 working days from receipt of enquiry.	100%
Respond to enquires in respect of those queries deemed as non urgent	Response received within 10 working days from receipt of enquiry.	95%
Provide new employees with scheme information	Within the automatic enrolment joining window.	100%
Determine appropriate rate of employee contributions for new scheme members in the LGPS	Decisions made by time of first salary payment.	100%
Provide all necessary information regarding new starters and hours/weeks per year variations.	Within 10 working days of the relevant calendar month end	95%
Determine reason for leaving and Final pay, issue entitlement award to member and leaver information to the administering authority for leavers NOT entitled to immediate payment of pension.	Certificate received within 15 working days of date of leaving	95%
Provide monthly and annual membership data in prescribed format.	Information to be provided for all Members within 10 working days after the end of the relevant calendar month for monthly data and by 30 April following year end	100%

Function/Task	Indicator	Target
Determine reason for leaving and Final pay, issue entitlement award and retirement pack to member and retirement form to the administering authority for retirees entitled to immediate payment of pension.	Certificate received at least 10 working days <u>before</u> date of leaving.	95%
Must have published Employer Discretions, accessible by all employees and copy provided to the administering authority.	Discretions published and provided to administering authority within 30 days of approval	100%
Discretions must be reviewed and amended as necessary	Any amendments to discretion must be confirmed in writing within 30 days from change	100%



## Appendix C – Administering Authority Performance Standards

The following are the headline performance targets that the administering authority will be expected to meet.

Function / Task	Indicator	Target
<b>LIAISON AND COMMUNICATION</b>		
Confirm nominated employer liaison officers	10 working days of employer joining fund or change to nominated officer	100%
Publish and keep under review the administration strategy.	Within three months of decision to develop an administration strategy or one month of any changes being agreed with scheme employers	100%
Keep up to date the employer website, including procedural guides, scheme guide and all other documents and forms	20 working days from date of change/amendment	100%
Formulate and publish policies in relation to all areas where the Administering Authority may exercise a discretion within the scheme	Within 30 working days of policy being agreed by the Pensions Committee	100%
Organise training sessions for scheme employers, subject to fair use of training resource	Training date agreed with employer within one month of request	100%
Notify the employer and scheme members of changes to the scheme rules	Within one month of being informed of the change	95%
Notify the employer of any issues relating to its poor performance (including arranging meeting if required)	Within 20 working days of performance issue becoming apparent	90%
Notify the employer of any costs recoverable under this Strategy associated with their poor performance (including any interest that may be due)	Within 20 working days of the event	100%

Function / Task	Indicator	Target
<p>Issue annual benefit statements to active members as at 31 March each year</p> <p>Statements will be published to members online pension account, unless they have provided a written instruction to opt out of electronic communications.</p>	<p>Statements to be published on the members online pension account by the following 31 August (pending timely receipt of satisfactory year end data from the scheme employer) If the member has opted out of electronic communications, the statement should be posted by 31 August.</p>	100%
<p>Issue annual benefit statements to deferred benefit members as at 31 March each year for those which we have an up to date address</p>	<p>By the following 30 June</p>	100%
<b>FUND ADMINISTRATION</b>		
<p>Issue formal valuation results (including individual employer details) Carry out cessation valuation exercise on cessation of admission agreements or employer ceasing participation in the Pension Fund</p>	<p>20 working days from receipt of results from Fund Actuary (but in any event no later than 31 March following the valuation date)</p>	100%
<p>Carry out cessation valuation exercise on cessation of admission agreements or employer ceasing participation in the Pension Fund Publish, and keep under review, the Administering Authority's governance policy statement</p>	<p>Initiated within 40 days with Fund Actuary plus results issued to employer within 2 months of clean data</p>	100%
<p>Publish, and keep under review, the Administering Authority's governance policy statement Publish and keep under review the Pension Fund's funding strategy statement</p>	<p>Within 30 working days of policy being agreed by the Pensions Committee</p>	100%

Function / Task	Indicator	Target
Publish and keep under review the Pension Fund's funding strategy statement Publish the Pension Fund annual report and any report from the auditor	To be reviewed at each triennial valuation, following consultation with scheme employers and the Fund's Actuary. Revised statement to be issued with the final valuation report	100%
Publish the Pension Fund annual report and any report from the auditor Provide an FRS17/IAS19 report to employers for their chosen accounting date	By 31 August following the year end	100%
Provide an FRS17/IAS19 report to employers for their chosen accounting date	Within one month of the accounting date providing employer has agreed to costs and returned required data by 1 <sup>st</sup> of the month in which the accounting date falls	100%
<b>SCHEME ADMINISTRATION</b>		
Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information	95%
Confirm transfer-in payment and service credited to scheme member	Letter issued within 10 working days of receipt of transfer payment by Pension Fund (or receipt of all information needed to complete calculations if later)	90%

Notify the employer of scheme member's election to pay or cease paying additional regular contributions and other contracts, including all required information to enable deductions to commence or finish.	Email sent within 5 working days of receipt of election from scheme member	95%
<b>Function / Task</b>	<b>Indicator</b>	<b>Target</b>
Calculate cost of additional regular contributions, and notify scheme member	Letter sent within 10 working days of receipt of request from scheme member	90%
Provide requested estimates of benefits to employers including any additional fund costs in relation to early payment of benefits from ill health, flexible retirement, redundancy or business efficiency	Estimate in agreed format provided within 10 working days from receipt of all information	90%
Provide a maximum of one estimate of benefits to employees per year on request.	Estimate in agreed format provided within 10 working days from receipt of all information	90%
Provide a maximum of one cash equivalent transfer value (CETV) to employees per year on request	Provided within 10 working days from receipt of all information	90%
Provide a divorce quotation to employees on request	Provided within 10 working days from receipt of all information	90%
Notify leavers of deferred benefit entitlements or concurrent amalgamation.	Issue award or confirm amalgamation within 10 working days of receiving all necessary information.	90%
Notify employees retiring from active membership of benefits award.	Issue award within 5 working days after payable date or date of receiving all necessary information if later.	95%
Payment of ongoing pension (not including the first pension payment).	Eligible payments made on the publicised payment date.	100%

Acknowledge death of active/deferred/pensioner member.	Letter issued within 5 working days following notification of death	100%
Award dependent benefits.	Issue award within 5 working days of receiving all necessary information.	95%
<b>Function / Task</b>	<b>Indicator</b>	<b>Target</b>
Provide responses to other enquiries from scheme members, scheme employers, personal representatives, dependents and other authorised persons	Full response within 5 working days from receipt of all information needed to respond to enquiry	90%
Where a full response will not be available within the published service standards send an acknowledgement and provide the expected timescale.	Acknowledgement within 5 working days from receipt of initial enquiry	100%
Appoint stage 2 “appointed person” for the purposes of the pension dispute process and notify all scheme employers of the appointment	Within 30 working days following the resignation of the current “appointed person”	100%
Process all stage 2 pension dispute applications	Within two months of receipt of the application, or such longer time as is required to process the application where further information or clarification is required.	100%
Publish and keep under review the Pension Fund policy on the abatement of pension on reemployment	Notify scheme members and scheme employers within one month of any changes or revisions to the policy	100%



# Cambridgeshire Pension Fund

Pension Fund Committee

6 June 2024

Report by: Head of Pensions

**Subject:** Cambridgeshire Pension Fund Equality, Diversity and Inclusion (EDI) approach

**Purpose of the Report:** To present to the Pension Fund Committee a report on the planned approach to Equality, Diversity and Inclusion (EDI) within the Cambridgeshire Pension Fund.

**Recommendations:** The Pension Fund Committee is asked to:

- 1) approve the proposed EDI actions located in appendix 1.
- 2) approve the changes set out in 3.20 following Pension Fund Board feedback.

**Enquiries to:** Michelle Oakensen, Governance and Regulations Manager  
[michelle.oakensen@westnorthants.gov.uk](mailto:michelle.oakensen@westnorthants.gov.uk)

## 1. Background

- 1.1. The Pensions Regulator (TPR) issued guidance in March 2023 on Equality, Diversity and Inclusion, which outlined principles for how scheme managers should approach EDI issues, and practical ideas about how to implement them.
- 1.2. TPR's EDI guidance covers areas such as the role of the chair, performance assessment, inclusive culture, recruitment and diversity of thought but also links to investment decisions and communications issued by the fund.
- 1.3. In January 2024 TPR published the new General Code which brings further focus onto EDI issues.

## 2. Executive Summary

- 2.1. This report sets out the requirements set out by TPR and the approach that the Cambridgeshire Pension Fund will undertake in order to comply with the principles.
- 2.2. The report provides an explanation of EDI and why it is important for the Fund to adhere to a best practice approach.
- 2.3. Appendix 1 contains the proposed actions to achieve compliance with TPR's EDI guidance.

### 3. Equality, diversity and Inclusion

What is equality, diversity, and inclusion?

#### Equality

- 3.1. Equality is about ensuring that every individual has an equal opportunity to make the most of their life and talents. No one should have poorer life chances because of the way they were born, where they come from, what they believe, or whether they are disabled. Historically certain groups have experienced discrimination because of their protected characteristic due to age, disability, gender reassignment, marriage or civil partnership (in employment only), pregnancy and maternity, race, religion or belief, sex and sexual orientation, according to the Equality and Human Rights Commission.
- 3.2. Equity and equality are interconnected concepts. Equity ensures that in addition to providing equal opportunities, individuals are also given the resources they need to be able to achieve the same things as others as it recognises that everyone has different needs and circumstances. Equity requires differentiating access to resources or opportunities based on existing privileges.
- 3.3. The Cambridgeshire County Council's Equality, Diversity and Inclusion Strategy defines equality to mean fairness, ensuring that individuals, or groups of individuals, are not treated less favorably because of their protected characteristics. It also means equality of outcomes by identifying barriers and biases and taking targeted action to overcome specific inequalities, discrimination, disadvantages and marginalisation experienced by certain groups and individuals, including the protected characteristics under the Equality Act 2010. It defines equity as recognising that each person has unique needs and circumstances, and adjusts treatment, resources and, opportunities accordingly so that the result is equal. Equity is a solution for addressing imbalanced social systems.

#### Diversity

- 3.4. Diversity refers to recognising, respecting and valuing differences in people.
- 3.5. In the UK, it is illegal to discriminate against someone on the basis of certain protected characteristics. The Equality Act 2010 prohibits less favorable treatment on the basis of nine protected characteristics - Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex, Sexual Orientation.
- 3.6. It is also worth noting that 'diversity' captures differences which may not be immediately apparent upon meeting someone, for instance, sexual orientation, care experience, religion or belief, neurodiversity, socio-economic background and many forms of disability, including mental health conditions, albeit not all listed above would be classed as a protected characteristic.
- 3.7. The Cambridgeshire County Council's Equality, Diversity and Inclusion Strategy defines diversity as recognising that everyone is different in a variety of visible and non-visible ways and those differences are to be recognised, respected, and valued.



## Inclusion

- 3.8 Inclusion refers to an individual's experience within their workplace and in society, and the extent to which they feel valued and included. Inclusion means capturing the voices of all, allowing people to fully participate, irrespective of their individual characteristics. Inclusion is positively embracing differences to create a group where different perspectives and opinions are valued and encouraged.
- 3.9 Inclusion means including people in a way that is fair for all, fostering an environment where everyone feels respected, valued and that they belong. The Cambridgeshire County Council's Equality, Diversity and Inclusion Strategy defines belonging as a sense that individuals feel included at work, accepted and valued for who they are, and that they identify with the values of the organisation.
- 3.10 Equality, diversity, and inclusion are interlinked and although having people with different identities and life experience might mean that a governing body for example is more diverse, in reality if those individuals are not respected or heard, the governing body would not benefit from the experiences of those individuals.

### Why EDI is important for the Fund.

- 3.11 There has been a steady increase in membership within the Cambridgeshire Pension Fund and EDI considerations are importantly becoming good practice to ensure Funds are administered in a way that works for everyone.
- 3.12 A diverse and inclusive Committee and Board with a broad range of characteristics, life experiences, expertise and skills will lead to:
- Wider discussion encouraging new thinking and approaches.
  - More effective decision making that reflects members needs and values.
  - Improved value for money for members.
  - Deeper understanding of issues that have a real influence on members incomes.
  - Better decision making that impacts quality of life for a wide range of individuals.
  - Greater understanding, insight and empathy for scheme beneficiaries (such as discretionary death benefits and ill health decisions).
  - Improved communications with scheme members.
- 3.13 The Pension's and Lifetime Savings Association guidance identifies that artificial intelligence based research into the performance of heterogenous versus homogenous groups has shown that diverse groups are better at:
- Paying attention to the key facts and assessing relevant evidence.
  - Reasoning.
  - Reaching the 'best conclusion'.
  - Explaining their decisions.
- These skills are highly desirable for members seeking to discharge legal duties and provide the best outcome for members.
- 3.14 Committee and Board members will likely possess some or all of these characteristics, but one of the key requirements with decision-making is the ability to take account of relevant

factors and disregard irrelevant factors so as not to reach a perverse or irrational conclusion.

## The Cambridgeshire Pension Fund EDI action plan

### The governing body

- 3.15 As per the Pensions Regulator governing bodies EDI guidance, having a diverse and inclusive Committee/Board can be broken down into actions associated with recruiting diverse representation, and actions aimed at the retention and continuous development of existing members.
- 3.16 The action plan located in appendix 1, includes the planned approach for implementing diversity and inclusion within Cambridgeshire Pension Fund recruitment and selection processes for members.
- 3.17 The first key area to consider will be training for Committee and Board members as well as Officers to ensure the right level of understanding is embedded before any further decisions are made.
- 3.18 Recognising there will be some barriers to EDI, such as requirements for membership to include individuals from certain cohorts and not attracting interest from a diverse group of candidates but it is the intention of the Cambridgeshire Pension to apply best practice where applicable.

### Wider EDI activities

- 3.19 Building upon the Pension Regulators expectations, the Cambridgeshire Pension Fund in conjunction with Aon have identified additional activities to enhance the EDI approach of the Fund in other areas to ensure best practice where viable. The action plan therefore also includes activities for member communications, investment decisions and managing advisors and suppliers.

## Pension Fund Board review

- 3.20 The Local Pension Board reviewed the action plan at its meeting of 26 April 2024 and were happy with the plan subject to the following considerations:

Section	Board suggestion	Officer comments
Fund appointments	To include the identification of barriers prior to the removal.	Content to include this.
Role of the Chair	To acknowledge that the role of the chair is also about treating members with respect and taking into consideration different viewpoints to reach a consensus.	The original wording is derived from sections of TPR guidance and is compliant with the expectations. Officers are happy to add in additional wording to reflect the wider skillset of the Chair if required.

Member communications	To update the Web Content Accessibility Guidelines from version 2.1 to 2.2	Content to update this.
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- 3.21 Representation being proportional to the Fund membership was also raised, this will be explored further with our governance advisors to establish whether data could/should be collected and if so how to ensure compliance with GDPR.
- 3.22 Upon Committee approval, the next stage will be to review the training requirements for the Committee, Board and Officers of the Fund with further updates being provided via the Business Plan Update reports at each meeting.

#### 4 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.

To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.

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.

To continually monitor and measure clearly articulated objectives through business planning.

To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

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

To promote the scheme as a valuable benefit.

To deliver accessible communications to stakeholders.

To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.

To seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.

#### 5 Risk management

- 5.11 There is a risk that the Fund does not have a diverse membership which could impact effective governance. There is also the risk that the Fund is not engaging with as many members/stakeholders as it could be to provide valuable scheme information.

- 5.12 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below –

Risk	Residual risk rating
Information may not be provided to stakeholders as required.	Green
Those charged with governance are unable to fulfil their responsibilities effectively	Green
Failure to act appropriately upon expert advice and/or risk of poor advice.	Green

5.13 The executive summary can be found on the Fund’s website at the following link:  
[Cambridgeshire Risk Register](#)

## 6 Implications (including financial implications)

### Resources and Financial

6.1 Officers worked in conjunction with Aon to produce the action plan. Officers will work with Hymans where appropriate on the execution of the plan.

### Legal

6.2 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

### Consultation

6.3 Squire Patton Boggs conducted a review of the paper for legal implications.

## 7 Community Impact

7.1 An impact assessment has been completed with a positive impact determined.

## 8 Background Papers

8.1 PLSA Diversity and Inclusion guide - [Diversity-and-Inclusion-Made-Simple.pdf \(plsa.co.uk\)](#)  
 TPR EDI overview [EDI overview | The Pensions Regulator](#)

## 9 Appendices

9.1 Appendix 1 – Equality, Diversity and Inclusion (EDI) Action Plan

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 23/05/2024

Has this report been cleared by Head of Pensions? Mark Whitby – 29/04/2024

Has this report been cleared by Monitoring Officer? Emma Duncan – 21/05/2024

# Equality, Diversity and Inclusion (EDI) Action Plan for 2024/25



West  
Northamptonshire  
Council



Cambridgeshire  
County Council

Administered in partnership

## Equality, Diversity and Inclusion (EDI) action log for 2024/25

### Background and further information

In developing this EDI action log for the Cambridgeshire Pension Fund (CPF) we are mindful of the requirements of the [Pension Regulator's \(TPR's\) Equality and Diversity Guidance](#) issued in March 2023 including '[Governing bodies: EDI Guidance](#)' and '[Employers: EDI Guidance](#)'. That guidance outlines principles for how scheme managers (i.e., the Administering Authority) and local pension board members should approach EDI issues, and practical ideas about how to implement them. The TPR's EDI guidance covers areas including the role of the chair, performance assessment, inclusive culture, recruitment and diversity of thought but EDI also links into investments (Environmental, Social and Governance aspects) and communications issued by the fund so is a broad area.

The publication of the new [TPR General Code](#) in January 2024 brings further focus onto EDI issues, for example in the Role of the Governing Body module it states "As far as possible, the governing body should be well-balanced and diverse, with its members demonstrating varied skills, knowledge and experience", and in the Recruitment and Appointment to the Governing Body module it set out that "It is important to regularly review the governing body's membership to ensure a diverse spread of members with varied technical skills and experience".

In addition, there are a number of relevant documents which Cambridgeshire County Council (as the Administering Authority) that are relevant when considering EDI requirements as well as some Fund strategies that have an EDI perspective including:

- Cambridgeshire County Council's Equality Impact Assessments (EqIAs)
- Cambridgeshire County Council's [Equality Diversity and Inclusion Strategy](#)
- Cambridgeshire Pension Fund's [Communications Strategy](#) (Equality and accessibility)

2024/25 Action Plan

Area	CPF Action	Timeline
<p><b>Training</b></p> <ul style="list-style-type: none"> <li>- Support Pension Fund Committee, Investment Sub-Committee and Local Pension Board Members and Fund Officers to build and develop their EDI knowledge and understanding through regular training.</li> </ul>	<ol style="list-style-type: none"> <li>1. <b>Introductory EDI training</b> for all Pension Fund Committee/Investment Sub Committee members, Local Pension Board members.</li> <li>2. <b>Fund Officer training</b> – identify what Administering Authority provide Officers.</li> <li>3. Identify what <b>additional training requirements (specific to the Fund) are needed for Officers</b> (e.g., supplement with relevant training from item 1 above where required).</li> <li>4. Identify <b>approach to EDI training going forward</b> in terms of how often to add to training plan and also consider what information needs to be added to induction training plans.</li> </ol>	<ol style="list-style-type: none"> <li>1. Introductory training – as soon as viable</li> <li>2. Review Officer training activity April 2024</li> <li>3. May 2024</li> <li>4. To align with next Training Strategy review.</li> </ol>
<p><b>Fund documentation – EDI specific</b></p> <ul style="list-style-type: none"> <li>- EDI definition.</li> <li>- EDI principles leading to EDI objectives.</li> <li>- Incorporating those objectives in a Fund-specific EDI policy.</li> </ul>	<ol style="list-style-type: none"> <li>1. Agree a <b>definition of EDI</b> for CPF</li> <li>2. Devise a <b>list of EDI principles</b> for CPF</li> <li>3. Build EDI principles into <b>EDI objectives</b> for a Fund-specific EDI Policy</li> <li>4. Determine timeline to develop a <b>Fund-specific EDI Policy</b></li> </ol>	<ol style="list-style-type: none"> <li>1. As soon as viable following EDI training.</li> <li>2. <i>TBC</i></li> <li>3. <i>TBC</i></li> <li>4. <i>TBC</i></li> </ol>

Area	CPF Action	Timeline
<p><b>Fund documentation – review to ensure aligns with EDI approach</b></p> <ul style="list-style-type: none"> <li>- <b>Terms of Reference</b> for Committees and Board (e.g., consider appointment decision makers/any appointment panel role, terms of office, reappointments etc with EDI lens).</li> <li>- <b>Communications Strategy and Communication Plan</b> (e.g., consider EDI requirements are being embedded in Fund’s communication approach).</li> <li>- <b>Administering Authority Discretions Policy</b> (e.g., considering EDI definition/principles aligns with Fund approach to making discretionary decisions).</li> <li>- <b>Investment Strategy Statement (ISS) and RI Beliefs</b> (i.e., considering EDI definition/principles aligns with Fund ISS and RI beliefs).</li> </ul>	<ol style="list-style-type: none"> <li>1. Review <b>Terms of references</b> in line with EDI principles and determine if review needed ahead of regular review cycle.</li> <li>2. Review <b>Communication Strategy</b> and <b>Communication Plan</b> against EDI principles.</li> <li>3. Review <b>Discretions Policy</b> against EDI principles.</li> <li>4. Review <b>ISS/RI beliefs</b> against EDI principles.</li> </ol>	<ol style="list-style-type: none"> <li>1. September 2024</li> <li>2. October – December 2024 (or against scheduled review timeline).</li> <li>3. December 2024 to March 2025.</li> <li>4. In line with scheduled ISS review timeline.</li> </ol>
<p><b>Fund appointments</b></p> <ul style="list-style-type: none"> <li>- Encourage and maintain a diverse and inclusive Pension Fund Committee, Investment Sub-Committee and Local Pension Board, though open recruitment and removal of barriers to become a member of these Committees and Board.</li> <li>- Consider EDI from a Fund perspective when recruiting Officers.</li> </ul>	<ol style="list-style-type: none"> <li>1. Regularly review the Committees and Board membership to ensure a diverse spread of members with varied skills and experience by including questions on EDI in effectiveness reviews or training needs assessments carried out for Committees and Board.</li> <li>2. Consider whether EDI is embedded within WNC processes and training.</li> </ol>	<ol style="list-style-type: none"> <li>1. Determine review schedule across July to September 2024.</li> <li>2. April to July 2024.</li> </ol>



<p><b>Role of the Chair</b></p> <ul style="list-style-type: none"> <li>- Be able to demonstrate elements of skills in debating, challenging, and negotiating with a particular ability to gather and understand diverse views.</li> </ul>	<ol style="list-style-type: none"> <li>1. Consider additional training for Chair.</li> <li>2. Consider any relevant requirements that might need to be reflected in Terms of Reference (aligns with review above).</li> </ol>	<ol style="list-style-type: none"> <li>1. July to September 2024</li> <li>2. September 2024.</li> </ol>
<p><b>Member communications</b></p> <ul style="list-style-type: none"> <li>- Encourage member engagement through the development of inclusive communications.</li> <li>- Where possible, ensure that web content follows <a href="#">Web Content Accessibility Guidelines</a> (WCAG) 2.1.</li> <li>- Obtain and review feedback from scheme members and scheme employers on Fund communication.</li> </ul>	<ol style="list-style-type: none"> <li>1. Regularly test communications against a scheme specific definition of EDI (and aligns with review of Strategy and Plan above).</li> <li>2. Check alignment with web requirements.</li> <li>3. Asking members and employers for their views on how the fund reflects its EDI values in the communications we provide to them.</li> </ol>	<ol style="list-style-type: none"> <li>1. <i>TBC</i></li> <li>2. In line with the website build.</li> <li>3. <i>TBC</i></li> </ol>
<p><b>Investment decisions</b></p> <ul style="list-style-type: none"> <li>- Consider Environmental, Social and Governance aspects of investment decisions.</li> <li>- Awareness of diversity and inclusion good practice such as if scheme investments are aligned with member’s responsible investment preferences or religious beliefs.</li> </ul>	<ol style="list-style-type: none"> <li>1. Report against the principles of the UK Stewardship Code (Principle 2; explain governance and workforce resourcing)</li> <li>2. Consider collecting member views on responsible investment issues.</li> <li>3. Review AVC offerings periodically.</li> </ol>	<ol style="list-style-type: none"> <li>1. September 2024</li> <li>2. <i>TBC</i></li> <li>3. Undertaken in 2023/24</li> </ol>
<p><b>Managing advisers and suppliers</b></p> <ul style="list-style-type: none"> <li>- Consider the EDI policies of advisers and other third parties the Fund work with</li> </ul>	<ol style="list-style-type: none"> <li>1. Further engagement with LGPS pool (ACCESS) and asset managers.</li> <li>2. Include questions on EDI for potential suppliers in procurement processes.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing</li> <li>2. Ongoing</li> </ol>

### Next steps

As part of our EDI journey the Fund aims to build a culture where:

- There is an open environment for free discussion between Committee/Board members and Officers without judgement and encourage contribution to discussions regardless of level of expertise
- We actively consider decisions made by all with responsibility of the management of the Fund through a diversity and inclusion lens
- We understand and mitigate unconscious bias in decision making through training and other methods, and
- Where we remove any barriers from practices where possible, that prevent inclusivity.

The Fund's Governance & Regulations Manager together with the Pension Fund Committee and Pension Board will take forward the actions in this plan ensuring timelines and aspects are updated in line with ongoing developments.

### Further information

If you require further information about anything included or related to this action plan, please contact:

Mark Whitby, Head of Pensions

[mark.whitby@westnorthants.gov.uk](mailto:mark.whitby@westnorthants.gov.uk)



Administered in partnership

# Cambridgeshire Pension Fund Committee/Investment Sub Committee Agenda Plan

Meeting Date	Agenda item	Lead officer
<b>June 2024 PFC</b>	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Administration Strategy [approval]	C Blose
	Equality, Diversity and Inclusion Report [review]	M Oakensen
	Risk Monitoring [standing item] exempt	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby
	<b>July 2024 PFC</b>	Audit Plan
Annual Report and Statement of Accounts		B Barlow
Annual Investment Review exempt		B Barlow
Annual Investment Consultancy Provider Review exempt		B Barlow
<b>October 2024 PFC</b>	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Code of Practice compliance and action plan [review]	M Oakensen

	Cambridgeshire Pension Fund Committee Effectiveness Review	M Oakensen
	Dashboard Update & Matching Criteria Policy	M Oakensen
	Overpayment of Pension Entitlement Policy	M Oakensen
	AVC Framework Review	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby
<b>December 2024 PFC</b>	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Annual Report and Statement of Accounts [to note]	B Barlow
	External audit plan [to note]	B Barlow
	Training Strategy	M Oakensen
	EDI Policy	M Oakensen
	Admission Bodies, Scheme Employers and Bulk Policy [approval]	C Blose
	Cyber Strategy	M Oakensen
	Risk Strategy [approval]	M Oakensen
	Risk Monitoring [standing item] exempt	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby
<b>March 2025 PFC</b>	Administration Report [standing item]	M Oakensen
	Governance and Compliance Report [standing item]	M Oakensen

	Business Plan Update [standing order]	M Whitby
	Annual Business Plan and Medium-Term Strategy [to approve]	M Whitby
	Employer Admission and Cessation Report [standing item]	C Blose
	Communication Plan	C Blose
	Payment of Employee and Employer Pension Contributions Policy [approval]	F Coates
	Investment Strategy Statement	B Barlow
	Multiple Investment Strategies	B Barlow
	Anti-Fraud and Corruption Policy [approval]	M Oakensen
	ACCESS Update [standing item] exempt	M Whitby

