

CAMBRIDGESHIRE PENSION FUND

Local Pension Board

Date: 22 February 2021

Report by: Head of Pensions

Subject:	Administration Strategy Review
Purpose of the Report	To present the amended Administration Strategy to the Local Pension Board for review, following approval by the Pension Fund Committee
Recommendations	That the Board review the amended Administration Strategy
Enquiries to:	Name – Cory Blose – Employer Services and Systems Manager Tel – 07990560829 E-mail – cblose@northamptonshire.gov.uk

1. Background

- 1.1 The Local Government Pension Scheme Regulations 2013 provide that administering authorities may prepare, maintain and publish a written Statement setting out their policy concerning administration matters, and that the administering authority and its employing authorities must then have regard to that strategy when carrying out their functions.
- 1.2 The administration strategy was recently reviewed and amendments agreed by the Pension Fund Committee.
- 1.3 The Board is now asked to review and comment on the agreed strategy.

2. Purpose of the Policy

- 2.1 The aim of the Administration Strategy is to set out clearly what is expected from the administering authorities and the Funds' employers, in order to deliver a high quality, value for money service to Scheme members.
- 2.2 Having a strategy in place also enables an administering authority to recover additional costs from a scheme employer where, in its opinion, they are directly related to the poor performance of that scheme employer.

3. Review of the Administration Strategy

- 3.1 Appendix 1 provides a track changed version of the administration strategy for review by the Board.

3.2 The administration strategy has had numerous updates which can be categorised as:

- Removal of references to Cambridgeshire Pension Fund
- Removal of references to LGSS Pensions
- Minor drafting changes
- Updates to the wording of the objectives within the strategy to ensure these reflect the latest version of the Fund objectives
- Updates to KPIs where changes have been previously agreed by the Committee
- Removal of reference to service level agreements
- Updates to key activities to reflect current processes

3.3 Reference to service level agreements have been removed as these were not taken up by employers as expected.

4. Relevant Pension Fund Objectives

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. <i>(Objective no 1)</i>
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. <i>(Objective 2)</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>(Objective no 5)</i>
Seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund. <i>(Objective no 15)</i>

5. Finance and Resources Implications

5.1 None

6. Risk Management

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

6.2 The risks associated with amending or not amending the strategy are captured below.

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

- 6.5 A full version of the Fund risk register can be found at the following link –
<http://pensions.cambridgeshire.gov.uk/governance/key-documents/cambridgeshire/>

7. Communication Implications

Direct Communications	A communication will be issued to inform employers that a draft version of the amended administration strategy has been published for consultation.
Website	The draft administration strategy will be published on the Fund's website

8. Legal Implications

- 8.1 No immediate legal implications

9. Consultation with Key Advisers

- 9.1 Not applicable

10. Alternative Options Considered

- 10.1 None

11. Appendices

- 11.1 Appendix 1 – Administration Strategy (tracked)

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	No
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	N/A
Has this report been cleared by Head of Pensions?	Mark Whitby – 8 February 2021