

CAMBRIDGESHIRE PENSION FUND BOARD



Friday, 01 July 2022

Democratic and Members' Services

Fiona McMillan
Monitoring Officer

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

**To be confirmed
[Venue Address]**

AGENDA

Open to Public and Press

1 Apologies for absence and declarations of interest

*Guidance on declaring interests is available at
<http://tinyurl.com/ccc-conduct-code>*

2 Minutes and Action Log

For the public minutes of the Local Pension Fund Board, see:
[Local Pension Fund Board Meeting Documents, 29 April 2022](#)

2. a) Confidential Local Pension Board Minutes - 29 April 2022

- i
- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

2. a) Action Log

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2. b) Confidential Pension Fund Committee Minutes - 10 June 2022

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

2. c) Confidential Investment Sub-Committee Minutes - 26 May 2022

- Information relating to the financial or business affairs of any particular person (including the authority holding that information);

3	Administration Report	7 - 18
4	Governance and Compliance Report	19 - 28
5	Data Improvement Strategy Plan	29 - 42
6	Reporting Breaches of the Law to the Pensions Regulator Policy	43 - 76
7	Valuation Update	77 - 82
8	Agenda Plan	83 - 86
9	Exclusion of Press and Public	
	<i>To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraphs 1 & 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 any individual, and information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>	
10	Confidential Cyber Strategy Update	
	<ul style="list-style-type: none"> Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	
11	Confidential Cambridgeshire Pension Fund Risk Register	
	<ul style="list-style-type: none"> Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	
12	Confidential ACCESS Update	
	<ul style="list-style-type: none"> Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	

The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chair of the Council and political Group Leaders which can be accessed via the following link or made available on request: [Filming protocol hyperlink](#)

Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer 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](#)

The Council does not guarantee the provision of car parking on the New Shire Hall site. Information on travel options is available at: [Travel to New Shire Hall hyperlink](#)

Meetings are streamed to the Council's website: [Council meetings Live Web Stream hyperlink](#)

The Cambridgeshire Pension Fund Board comprises the following members:

Councillor Denis Payne (Chair) Mr Barry O'Sullivan (Vice-Chair) Mr Martin Dachs Val Limb Councillor Simon King and Councillor Philippa Slatter

Clerk Name:	Rhiannon Leighton
Clerk Telephone:	01223 728170
Clerk Email:	rhiannon.leighton@cambridgeshire.gov.uk

Cambridgeshire Local Pension Board Minutes Action Log

This is the updated action log as at 17 June 2022 and captures the actions arising from the most recent Cambridgeshire Local Pension Board meeting and updates Members on the progress on compliance in delivering the necessary actions.

Minutes 29 April 2022

Minute number	Report Title	Action for	Action	Comment	Status
40.	Administration Report	Michelle Oakensen	Members requested that, in future, the appendix of employer contributions noted an approximate schedule of payment in instances where the exact amount was unknown.	Will be incorporated where relevant in future reports.	Completed.
44.	Agenda Plan	Michelle Oakensen	Officers agreed to provide notice of the dates of Committee meetings attended by cyber and valuation specialists.	Email sent 17 May 2022 to confirm June schedule and all Committee dates for the year. Members will continue to be updated with future advisor attendance and topics.	Completed.
47.	Access Update	Mark Whitby	Officers agreed to hold a Board-specific responsible investment briefing session for Pension Fund Board Members	Teams meeting to be scheduled to facilitate the training. The Board will be advised of the date in due course.	Ongoing

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

1 July 2022

Report by: Head of Pensions

Subject	Administration Performance Report
Purpose of the Report	To present the Administration Performance Report to the Pension Fund Board.
Recommendations	The Pension Fund Board are asked to note the Administration Performance Report.
Enquiries to:	Jo Kent, Governance and Regulations Manager joanne.kent@westnorthants.gov.uk

1. Background

- 1.1 One of the core functions of the Pension Fund Board 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 Board.

2. Administration Performance

- 2.1 During the period 1 March to 31 May 2022, one complaint was managed informally by the Operations Manager. Four compliments were also recorded during this period.
- 2.2 To put this into context, over the same period, 5,512 calculation tasks were completed in connection with the Cambridgeshire Fund.
- 2.3 The Fund issues member surveys to scheme members where a check task has been completed on the workflow system. During the period 1 March to 31 May 2022, 331 surveys have been issued to Cambridgeshire members with response rates in the range 12.60% to 15.71% over the period. Scheme members have given the Fund's administration an average rating of between 3.58/5.00 and 4.24/5.00 over the 3-month period. Note this rating is for Cambridgeshire and Northamptonshire Fund administration combined. This rating is pleasing as there is inevitably an element of self-selection in those members who decide to respond, but any feedback is analysed and changes implemented where necessary.

3. Key Performance Indicators – Pensions Service

- 3.1 The Pension Fund Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of the Pensions Service.
- 3.2 Full KPI details for the period 1 April to 31 May 2022 can be found in Appendix 1.

- 3.3 Over the two-month period, service performance has been consistently good with all targets being met with the exception of two.
- 3.4 In April and May, the 'payment of transfer out' targets were missed due to performance issues within the team. Individuals within the team have been reminded to ensure that any recalculations are set to the appropriate priority to be rechecked. There will be closer monitoring of outstanding casework within the team going forward.

4. Receipt of Employee and Employer Contributions

- 4.1 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. An associated monthly statement/schedule must be provided in a format acceptable to the Administering Authority.
- 4.2 The table in Appendix 2 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 May 2021 to 30 April 2022.
- 4.3 For March 2022 99.3% of contributions were paid on time. For April this was 100%. The current yearly average for payments made on time is 99.5% and schedules received on time is 99.6%.

5. Breaches of the Law

- 5.1 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 therefore are not reported to the Pensions Regulator.
- 5.2 For the period 1 April to 31 May 2022, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non-Material Breaches	Three refund of contribution payments were paid outside of the statutory five year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the five year requirement.
	Two Internal Dispute Resolution Procedure cases were issued determinations outside of the extended deadline.	No further action, determinations were sent shortly after the extended deadline. Please see section 6.3 for further details.

6. Internal Dispute Resolution Procedure

- 6.1 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.
- 6.2 Disputes that are upheld at Stage 1 may still progress to Stage 2 if the scheme member or their representative remains unsatisfied with the overall outcome. The outcome may not fully meet the complainant's expectations – particularly if their perception is that their financial loss was greater than any compensation awarded, or the level of non-financial injustice award was not consistent with their expectation.
- 6.3 The following table details that activity undertaken during the period 1 April to 31 May 2022 with regards to administering authority disputes.

Nature of dispute	Stage 1 (Head of Pensions)	Stage 2 (Cambridgeshire County Council Monitoring Officer)
Issues with membership records, providing inconsistent details and delays in response.	Upheld (2 July 2021)	Received 13 October 2021. Deadline for response extended to 12 April 2022. Further extension issued to 10 May 2022. Outcome - upheld (19 May 2022).
Seeking reinstatement/compensation for deferred pension being transferred to an overseas pension scheme in 2015.	Not upheld (2 March 2021)	Received 28 August 2021. Deadline for response extended to 12 April 2022. Further extension issued to 10 May 2022. Outcome - not upheld (12 May 2022).
Delay in provision of deferred benefit details that may inhibit opportunity to transfer out.	Response due by 20 March 2022. Extended to 5 May 2022. Outcome - partially upheld (3 May 2022)	
The value of the pension credit resulting from a pension sharing on divorce order is less than was previously estimated.	Response due by 16 April 2022. Extended to 5 May 2022. Outcome - partially upheld (4 May 2022)	

- 6.4 In the period 1 April to 31 May 2022 no employing authority disputes were either raised or responded to by the administering authority at Stage 2.

7. Significant overpayment of pension

- 7.1 In January 2022, officers were notified of a death of a pensioner that occurred in March 2021. The pensioner was overseas at the time of death and the Fund's mortality screening exercises do not cover deaths that occur overseas. Proof of existence exercises are undertaken every year for pensioners who reside overseas, however in this case the member's resident address was in the UK. In these cases, officers rely on the next of kin/executor to notify the service to be able to suspend the pension at the earliest opportunity to avoid significant overpayments occurring.
- 7.2 The overpayment only related to ten months but amounted to a net overpayment of £14,103.69 due to the delay in notification. An invoice was raised on 10 May 2022 and a payment for the full amount was received on 27 May 2022.

8. Employers Admissions and Cessations

- 8.1 The following admitted bodies were admitted to the Cambridgeshire Pension Fund:
- Everyone Health Limited
 - GPC Skills Limited
 - Goshen Multiservices Limited
- 8.2 The following bodies have ceased to be an employer within the Cambridgeshire Pension Fund:
- Caterlink Ltd

9. 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 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>
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. <i>Objective 3</i>
Continually monitor and measure clearly articulated objectives through business planning <i>Objective 4</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. <i>Objective 8</i>
Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. <i>Objective 10</i>

10. Risk Management

- 10.1 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.
- 10.2 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

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

11. 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.
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12. Finance & Resources Implications

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

13. Legal Implications

- 13.1 There are no legal implications associated with this report.

14. Consultation with Key Advisers

- 14.1 Consultation with the Fund's advisers was not required for this report.

15. Alternative Options Considered

- 15.1 Not applicable

16. Background Papers

16.1 Not applicable

17. Appendices

17.1 Appendix 1 Key Performance Indicators – Pensions Service

17.2 Appendix 2 Receipt of Employee and Employer Contributions

17.3 Appendix 3 Late payment of employer contributions (**exempt**)

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 8 June 2022

Key Performance Indicators – Pensions Service April and May 2022

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 fifteen working days of receiving all relevant information.	90%	April May	157 231	153 220	4 11	97 95	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 five working days.	95%	April May	36 68	36 65	0 3	100 96	Green Green	SLA target met SLA target 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 ten working days.	90%	April May	60 95	57 86	3 9	95 91	Green Green	SLA target met SLA target met
Award dependant benefits – Statutory	Issue award within five working days of receiving all necessary information.	95%	April May	34 40	34 38	0 2	100 95	Green Green	SLA target met SLA target met
Provide a maximum of one estimate of benefits to employees per year on request – Statutory	Estimate in agreed format provided within ten working days from receipt of all information.	90%	April May	40 64	40 61	0 3	100 95	Green Green	SLA target met SLA target met

Provide transfer-in quote to scheme member – Statutory	Letter issued within ten working days of receipt of all appropriate information.	95%	April May	15 47	15 47	0 0	100 100	Green Green	SLA target met SLA target met
Payment of transfer out – Statutory	Process transfer out payment – letter issued within ten working days of receipt of all information needed to calculate transfer out payment.	90%	April May	24 10	20 8	4 2	83 80	Amber Amber	SLA target not met* SLA target not met*

* Payment of transfer out – April and May targets missed due to performance issues within the team, individuals within the team have been reminded to ensure that any recalculations are set to the appropriate priority to be rechecked. There will be closer monitoring of outstanding casework within the team going forward.

Green: Equal to or above Service Level Agreement (SLA) target.

Amber: If there is a statutory target - below SLA target, but all within statutory target.
If there is no statutory target - below SLA target, but number completed within target is within 10% of the SLA target.

Red: If there is a statutory target - below SLA target and not within statutory target.
If there is no statutory target - below SLA target and number completed within target is not within 10% of the SLA target

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
May 2021	99.8	0.2	99.8	0.2
June 2021	99.8	0.2	99.8	0.2
July 2021	98.6	1.4	98.6	1.4
August 2021	100	0	99.8	0.2
September 2021	99.6	0.4	99.8	0.2
October 2021	99.2	0.8	99.8	0.2
November 2021	99.2	0.8	100	0
December 2021	98.8	1.2	99.2	0.8
January 2022	99.6	0.4	99.4	0.6
February 2022	99.6	0.4	99.6	0.4
March 2022	99.3	0.7	99.8	0.2
April 2022	100	0	99.4	0.6
Average for period	99.5	0.5	99.6	0.4

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

1 July 2022

Report by: Head of Pensions

Subject:	Governance and Compliance Report
Purpose of the Report:	To provide the Pension Fund Board with information on: 1) Scheme Advisory Board – Prudential performance update 2) Pensions Dashboard Programme – April 2022 update 3) Fund policy/strategy updates 4) Skills and knowledge opportunities
Recommendations:	The Pension Fund Board are asked to note the Governance and Compliance Report.
Enquiries to:	Jo Kent, Governance and Regulations Manager joanne.kent@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. Scheme Advisory Board (SAB)

2.1 Prudential performance update

- 2.1.1 Representatives from Prudential attended the SAB meeting in December 2021 to discuss the performance issues experienced by administering authorities since November 2020. At that meeting, Prudential agreed to produce a communication to explain:

- The issues that have arisen;
- The steps that have and are being taken to resolve the situation; and
- The expected timescales for normal service to be resumed.

- 2.1.2 Prudential have now written to Jo Donnelly, Head of Pensions at the LGA, to provide this update. Robert Holloway shared the letter with pension managers by email on 13 May 2022. This was subsequently shared with the Chairs of both the Pension Fund Committee and Pension Fund Board on 17 May 2022 as requested by SAB.

- 2.1.3 A copy of the letter can be found at [Prudential letter](#).

2.2 Pensions Dashboards Programme (PDP), April 2022 update

2.2.1 The PDP published its [April 2022 progress update report](#) on 27 April 2022. On 29 April 2022 Chris Curry, PDP Principal, published a blog covering that report and hosted a webinar expanding on its content. You can read the [Pensions dashboards progress insights](#) on the PDP website.

2.2.2 The blog covers:

- The need for pension schemes to act now to prepare for dashboards;
- Timelines and what to expect from Department of Work and Pensions and the Pensions Dashboards Programme;
- Integrated Service Provider market development;
- Data matching and the need for improved data quality; and
- The process for partial matches.

2.3 Fund Policy/Strategy Updates

2.3.1 The Data Improvement Policy and Plan was approved by the Pension Fund Committee on 10 June 2022 and is an agenda item for this meeting.

2.3.2 The Reporting Breaches of the Law to the Pensions Regulator Policy is to be considered under a separate agenda item for this meeting.

2.3.3 Please find the full Policy/Strategy Review Cycle in Appendix 1.

2.4 Skills and knowledge opportunities

2.4.1 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.

2.4.2 In order to facilitate the acquisition of skills and knowledge for members of the Pension Fund Board, Appendix 2 lists the main events that are deemed useful and appropriate.

2.7.3 If members of the Pension Fund Board would like to attend any of the events listed in Appendix 1 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. 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 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>
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. <i>Objective 3</i>
To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

4. Risk Management

- 4.1 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

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

5. Communication Implications

- 5.1 Training - All staff involved in the administration of the LGPS are aware of the new legislation and the impact on the calculation and payment of benefits from the scheme.
- 5.2 Employers - All relevant items are communicated to scheme employers via website updates.

6. Finance & Resources Implications

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

7. Legal Implications

- 7.1 Not applicable

8. Consultation with Key Advisers

8.1 Consultation with the Fund’s advisers was not required for this report.

9. Alternative Options Considered

9.1 Not applicable

10. Background Papers

10.1 Not applicable

11. Appendices

11.1 Appendix 1 Policy/Strategy review cycle.

Appendix 2 Schedule of training events.

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 8 June 2022

Policy/Strategy Review Cycle

Policy/Strategy	Most current review	Review cycle	Next review due	Comments
Annual Report and Statement of Accounts	2021	Annually	2022	Currently being produced in line with statutory deadlines.
Administering Authority Discretions	June 2022	Triennially unless changes required prior	June 2025	
Administration Strategy	December 2020	Biennially (currently periodically)	December 2022	Scheduled for October Committee meeting and November Board meeting.
Admission Bodies, Scheme Employers and Bulk Transfer Policy	September 2021	Triennially (currently not specified)	September 2024	
Annual Business Plan and Medium-Term Strategy	March 2022	Annually	March 2023	
Anti-Fraud and Corruption Policy	January 2022	Biennially (currently annually)	January 2024	
Training Strategy	December 2021	Biennially	December 2023	
Cash Management Strategy	March 2019	Triennially (currently not specified)	March 2022	Scheduled for December Committee meeting.
Communications Plan	March 2022	Annually	March 2023	
Communications Strategy	April 2020	Biennially (currently not specified)	April 2022	Scheduled for January 2023 Board meeting and March 2023 Committee meeting.
Conflicts of Interest Policy				To create one encompassing policy. Scheduled for October Committee meeting and November Board meeting.

Policy/Strategy Review Cycle

Data Improvement Policy	June 2022	Annually	June 2023	
Data Improvement Plan	June 2022	Annually	June 2023	
Governance Policy and Compliance Statement	October 2017	Triennially unless changes required prior (currently not specified)	To be updated in line with ACCESS amendments as soon as viable during 2022	To be updated following ACCESS Inter Authority Agreement and WNC constitutional changes.
Investment Strategy Statement	December 2021	Triennially unless changes required prior	December 2024	
Policy/Strategy	Most current review	Review cycle	Next review due	Comments
Overpayment of Pension Policy	March 2019	Biennially (currently annually)	December 2021	Scheduled for January 2023 Board meeting and March 2023 Committee meeting.
Payment of Employee and Employer Pension Contributions Policy	June 2022	Biennially (currently annually)	June 2024	
Reporting Breaches of the Law to the Pensions Regulator	October 2018	Biennially	October 2020	Had been awaiting publication of the new singular code before conducting the review but as this has been delayed review is scheduled for this Board meeting and October Committee meeting.
Risk Register		Continual	Continual	Reviewed every meeting of the Board and biannually for the Committee.

Policy/Strategy Review Cycle

Risk Strategy	March 2019	Triennially unless changes required prior	March 2022	Scheduled for November Board meeting and December Committee meeting.
Cyber Strategy	September 2021	Triennially unless changes required prior	September 2024	

Pensions Training

Upcoming Training Events

Date	Event Description	Audience
13-14 July 2022	Heywood Class Conference Pensions Administration and Payroll Platform Annual General Meeting Manchester	Officers
8-9 September 2022	LGC Investment and Pensions Summit Leeds LGC Investment & Pensions Summit 2022	Pension Fund Committee, Pension Fund Board, Officers, Section 151 Officers
December 2022 (tbc)	LAPFF Annual Conference Bournemouth Further details to be confirmed	Pension Committee, Pension Board, Officers, Section 151 Officers

Past training events

Date	Event Description	Audience
8-10 December 2021	LAPFF Annual Conference Bournemouth LAPFF Annual Conference LAPFF (lapfforum.org)	Pension Committee, Pension Board, Officers, Section 151 Officers
20-21 January 2022	LGPS Governance Conference Face to Face in Bournemouth or online flyer_final.pdf (eventsforce.net)	Pension Committee, Pension Board, Officers, Section 151 Officers
1 February 2022 2.30pm Virtual	In-house/Hymans Robertson Triennial Valuation Training* (the session was recorded and shared for those who were unable to attend)	Pension Fund Committee, Pension Fund Board, Officers, Section 151 Officers
8 March 2022 10am Virtual	In-house/Aon Cyber Security Awareness Training* (the session was recorded and shared for those who were unable to attend)	Pension Fund Committee, Pension Fund Board, Officers, Section 151 Officers
9-10 March 2022	PLSA ESG Conference 2022 Online	Pension Fund Committee, Pension Fund Board,

Date	Event Description	Audience
	ESG Conference (plsa.co.uk)	Officers, Section 151 Officers
24-25 March 2022	LGC Investment Seminar Cheshire LGC Investment Seminar 2022	Pension Fund Committee, Pension Fund Board, Officers, Section 151 Officers
13-15 June 2022	PLSA Local Authority Conference 2022 Gloucestershire Local Authority Conference (plsa.co.uk)	Pension Fund Committee, Pension Fund Board, Officers, Section 151 Officers

* Mandatory training – if you have not already undertaken this training please contact Michelle Oakensen or Joanne Kent for the link.

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

1 July 2022

Report by: Head of Pensions

Subject:	Data Improvement Strategy and Plan
Purpose of the Report:	To present the Data Improvement Strategy and Plan to the Pension Fund Board
Recommendations:	The Pension Fund Board are asked to note the Data Improvement Strategy & Plan
Enquiries to:	Mark Whitby, Head of Pensions mark.whitby@westnorthants.gov.uk

1. Background

- 1.1 The Cambridgeshire Pension Fund collects and processes large amounts of personal data and is heavily reliant on the timely receipt of accurate data from data providers such as scheme employers and payroll providers.
- 1.2 The primary purpose of the Cambridgeshire Pension Fund is to pay the correct pension benefits to its members when they become due. It is therefore essential that the Fund achieves and maintains the highest possible data quality standards.
- 1.3 The Public Service Pension Act 2013 came into effect on 1 April 2014 and increased the powers of the Pensions Regulator to ensure that public service pension schemes had appropriate measures in place to ensure high standards of governance and administration.
- 1.4 The Pensions Regulator articulated these standards through the code of practice 14 – governance and administration of public service pension schemes. The code addresses the need for high standards of accurate data and states that schemes must regularly review the data held and put in place a Data Improvement Plan to address any issues.
- 1.5 Responses to a consultation on a new code of practice to replace code of practice 14 are currently being reviewed by the Pensions Regulator (TRP).
- 1.6 To demonstrate to TPR that the Fund has reviewed the quality of its data and has an ongoing approach to ensuring the Fund has appropriate processes in place to consistently hold accurate data, a Data Improvement Policy and a Data Improvement Plan were first put in place in October 2018.
- 1.7 A revised policy was approved by the Pension Fund Committee at its meeting of 8 December 2020 and subsequently at its meeting of 10 June 2022.
- 1.8 The Fund has been annually reviewing its data quality through a TPR data scoring exercise and undertaking data improvements in line with any quality issues identified.

2. Data Improvement Strategy & Plan - Revisions

2.1 The Data Improvement Strategy & Plan is included in Appendix 1.

2.2 The new approved Strategy sets out the processes by which we obtain and maintain good quality data and the cyclical data review activities undertaken by Fund officers. The Plan contains the current areas of focus for the Fund with regards to data improvement. A revised plan will be formulated at least annually to meet the code of practice requirement to continually review data held and carry out a review exercise at least once a year.

3. 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 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.

4. Risk Management

4.1 The Cambridgeshire Pension Fund is required under various sets of legislation and the Pensions Regulator code of practice to ensure that data held on scheme members and their potential beneficiaries is up to date and accurate. As such the Fund should have in place an approach to managing the quality of its data and a plan for addressing any omissions or inaccuracies. This report presents a strategy and plan to the Pension Fund Board to demonstrate compliance and commitment in this area.

4.2 The risks associated with the Fund not having in place a Data Improvement Strategy and Plan have 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
Risk of fraud and error	Green

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	Green
Failure to administer the scheme in line with regulations and guidance	Green

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

5. Communication Implications

Website	The Data Improvement Strategy and Plan is published on the Fund's website
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6. Finance & Resources Implications

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

7. Legal Implications

- 7.1 There are no legal implications connected to the contents of this report as by putting in place a Data Improvement Policy and Data Improvement Plan, compliance with the Pensions Regulator's code of practice is being achieved.

8. Consultation with Key Advisers

- 8.1 Consultation with the Fund's advisers was not required for this report.

9. Alternative Options Considered

- 9.1 Not applicable

10. Background Papers

- 10.1 Pension Fund Committee 8 December 2020 – Agenda Item 8 - Cambridgeshire Pension Fund Data Improvement Policy
- 10.2 Pension Fund Committee 10 June 2022 – Agenda Item 9 - Data Improvement Strategy and Plan.

11. Appendices

- 11.1 Appendix 1 Data Improvement Strategy and Plan

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 8 June 2022

Data Improvement Strategy and Plan

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1. Introduction

This document outlines Cambridgeshire Pension Fund's Data Improvement Strategy and Plan.

The Fund exists to pay pension benefits to beneficiaries when these benefits fall due. To achieve this data must be received in a timely manner and maintained to the highest possible quality standards. This data quality is also the basis for Fund valuations and effective decision-making.

The maintenance of high-quality data is increasing difficult due to the volume and diversity of the Fund's data providers (e.g. scheme employers and payroll providers) and the increasing complexity of the Scheme's benefit design.

2. Legislative Framework

The regulations, standards and guidance that the Fund must comply with includes:

- LGPS Regulations 2013, as amended;
- Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014;
- The Pensions Act 1995, 2004 and 2008;
- The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013
- Data Protection Act 2018;
- Freedom of Information Act 2000;
- Pension Regulator's Code of Practice No.14

The Pension Regulator's Code of Practice addresses the need for high standards of accurate data and states that schemes must regularly review the data held and put in place a data improvement plan to address any issues.

Failure to maintain accurate records can put the Fund at risk of failing to meet its legal obligations which could result in enforcement action from the Pensions Regulator and therefore legal and reputational harm.

3. Fund and Strategy Objectives

The Data Improvement Strategy and Plan will be delivered in line with the following Fund objectives as set out in the Fund's business plan:

- 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.

The specific objectives of this Data Quality Strategy and Plan are as follows:

- To ensure accurate records are maintained for the purpose of calculating pension entitlements and scheme employer liabilities; ensuring all information and data is communicated securely and accurately within prescribed timescales.
- To ensure that the Fund is compliant with legislation and with the guidance of the Pensions Regulator.
- To ensure all actions agreed are proportionate to the risk posed and are cost effective and efficient, utilising technology wherever possible.
- To ensure clarity of roles and responsibilities between the Fund and scheme employers, ensuring all parties are committed to the continuing engagement to improve data quality and promote accurate record keeping.
- To ensure there is an appropriate focus on preventative data quality actions, particularly with source data, which will reduce the need for data cleansing activities.
- To ensure that all data collection processes are clearly documented and regularly reviewed.

4. Stakeholders of the Fund

There are numerous categories of stakeholder as detailed below:

- Scheme members
 - Active
 - Deferred
 - Retired and dependant
 - Prospective
- Other beneficiaries
- Scheme employers
- Pension Fund Committee
- Local Pension Board
- Fund staff
- Trade Unions
- Cambridgeshire taxpayers
- Members of the public
- Scheme Advisory Board (SAB)
- The Pensions Regulator (TPR)
- Government departments
 - Her Majesty's Revenue & Customs (HMRC)
 - Department for Levelling Up, Housing and Communities (DLUHC)
 - HM Treasury
 - Department for Work and Pensions (DWP)
- Audit Commission

5. Effective date and review of Policy

This Policy was first approved by the Pension Committee on 13 October 2018 and has been subject to the following reviews:

Date of review	Effective Date	Type of review
June 2022	June 2022	Full review – approved by the Pension Fund Committee
December 2020	December 2020	Minor amendments – approved by Pension Fund Committee

6. Obtaining good quality data

This section sets out the approaches the Fund will use to ensure that high quality data is received from data providers, and that accuracy of that data is maintained during processing by the Fund.

Administration Strategy

The Fund has put in place an Administration Strategy that sets out the responsibilities and required performance standards for both scheme employers and the administering authority. This includes the requirement of scheme employers to provide accurate and timely data to the Fund and the sanctions that may be imposed when those standards are not met.

Whilst the Fund may engage with third-party agents of scheme employers for efficiency, it remains the responsibility of the scheme employer itself to provide accurate and timely information to the Fund.

Scheme employer support

The Fund is reliant upon the accuracy, completeness and timeliness of data provision from data providers such as scheme employers and payroll providers.

The Fund has a dedicated Employers Team whose principal functions are to support scheme employers in their employer-side responsibilities, including their responsibilities with regards to data provision to the Fund. The Employers Team monitor scheme employer performance in connection with these duties and the performance targets set out in the Fund's Administration Strategy.

The Fund will provide support to scheme employers including newsletters, website content, an Employer Helpline, Employer Forums, and virtual and face-to-face training sessions.

Clear data submission templates and forms

The data requirements of the Fund are relatively complex due to the inherent nature of the Scheme. The Fund will therefore keep templates and forms as straightforward as possible to ensure they are as simple as possible for scheme employers to understand and complete.

Templates and forms will be kept under review and, where possible, scheme employer feedback will be harnessed to improve processes and documentation.

Most scheme employer data is now provided monthly through the i-Connect facility.

Effective internal controls and processes

All processes must be underpinned using suitably trained pensions staff and efficient, regulatory compliant workflow processes. The Fund's control processes are subject to annual review by internal audit and any management actions required in connection with recommendations for improvement are monitored through to completion.

Fund staff must undertake mandatory e-learning modules on protecting personal data and information governance. Staff are granted the appropriate level of system access to fulfil their duties and that access is withdrawn upon the member of staff leaving the team. This minimises the risk of accidental loss, errors and unauthorised activity.

Actions to ensure that any data being created or updated is accurate include:

- Ensuring clear and up-to-date workflow processes exist, are documented and are being followed
- The Altair pensions administration and payroll system is upgraded when required
- All 'known errors' reported by the software supplier are communicated to relevant parties
- Regularly reviewing data being processed and making recommendations for improvement
- Reporting of any scheme employer data quality issues and appropriate management of these issues in line with the Administration Strategy

Timely receipt and processing of data

The Fund will process data received from data providers in a timely manner and ensure that appropriate skilled resource is in place to reduce the risks of backlogs building up. Should backlogs arise a plan will put in place to reduce volumes to business-as-usual levels.

The Fund's performance standards are set out in its Administration Strategy. The legislative framework set out above includes required standards associated with numerous casework processes that are reliant on accurate and timely employer data.

The Fund reports its Key Performance Indicators associated with the main workflow processes to both the Pension Fund Committee and Local Pension Board. Any breaches of the law, including late processing, are also reported.

7. Data review activities

The table below contains a summary of the main routine data reconciliations undertaken by the Fund.

Activity	Action	Timescale
Reviewing and addressing errors received in monthly data submissions from data providers using i-Connect	Monthly i-Connect submissions received are reviewed by Officers and any data discrepancies are queried directly with the data provider. Progress is monitored to resolution.	Monthly
Reviewing and addressing errors received during the year-end process from data providers using annual returns	Year-end returns received are checked by Pensions Systems Analysts. Any errors identified are investigated by Officers by querying with the data provider Progress is monitored to resolution.	Annually
Year-End data reconciliations of full scheme member database	High-level reconciliations are undertaken to identify potential data issues including unreported leavers. Errors will be queried directly with the data provider and progress is monitored to resolution.	Annually Officers are investigating the viability of moving these reconciliations to a more frequent basis.
Reconciling new pensioner payments	When a pensioner payment is created on the system a reconciliation is undertaken between the pension administration and payroll modules to ensure the new pensioner data is accurate.	Monthly

8. Third party data services

The Fund will make use of third-party data services to improve the quality of its data and to support the administrative function. These services are either minimal cost collaborative ventures or are procured commercially.

LGPS National Insurance Database

Administered by South Yorkshire Pension Fund Authority (SYPA) on behalf of the Local Government Association (LGA), the secure National Insurance Database was developed for LGPS administering authorities to identify scheme members who had LGPS benefits elsewhere to ensure the correct actions are taken when assessing members entitlement under the scheme regulations. Each administering authority is required to complete a data sharing agreement before data is uploaded and shared. When processing the death of a scheme member, Officers will procedurally check the LGPS National Insurance Database for the existence of membership at other LGPS Funds.

“Tell Us Once” service

The secure LGPS National Insurance Database also facilitates the integration of the Fund’s membership profile into the Department of Work and Pensions (DWP) ‘Tell Us Once’ service (TUO). The service allows

an individual registering a death to request that the DWP pass on the deceased's information to other government services and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

National Fraud Initiative (NFI)

Administered by the Cabinet Office, the NFI programme is a biennial exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. As a participant, the Fund receives a report of matches to investigate, to take remedial actions and update records accordingly.

Mortality screening services

The Fund uses a commercial mortality screening service, Accurate Data Services, to check its deferred and pensioner membership database against the national death register on a monthly basis. Any reported deaths are investigated and remedial action taken.

External tracing services

The Fund uses a commercial tracing service, Accurate Data Services, to check the most recent postal address for deferred and pensioner members. The Fund now uses this service on as and when required basis, where the Fund needs to contact the scheme member, but contact has been lost. The loss of contact will usually occur when a deferred or pensioner member fails to notify the Fund of a change of address.

9. Data Improvement Plan

Appendix 1 contains details of the current areas of focus to improve the Fund's data. Progress against this plan will be monitored internally and updates reported as and when required to the Local Pension Board and Pensions Committee. A revised plan will be formulated at least annually.

10. Measures of success

A key driver for the activities within the plan is an annual analysis of the Pension Regulator's common and conditional (scheme specific) data scores. The Fund targets a 100% score for both common and conditional data and uses the measurements provided by its software provider for the purposes of deriving the scores to be reported to the Pensions Regulator. The Fund would expect improvements in the data score over time.

The Fund reports Key Performance Indicators (KPIs) for its main workflow processes quarterly to both the Local Pension Board and Pension Fund Committee. These are set out in its Administration Strategy.

The Fund issues annual benefit statements to each deferred and active member. These statements are heavily reliant on accurate and timely data, and the Fund targets 100% to be issued by the statutory deadline of 31 August, with any material breaches reportable to the Pensions Regulator.

The Fund's Actuary, Hymans Robertson, has made a Universal Data Extract (UDE) facility available for the sharing of data between the Fund and the Fund Actuary. The UDE enables data quality to be measured through the number of critical errors and warnings within the dataset uploaded by the Fund to the UDE facility.

Appendix 1 Data Improvement Plan

No.	Area of Improvement	Action	Risk	Effect on TPR data scoring	Number of affected records	Method of resolution	Resolution timescale	Resource required
1	Addressing common and conditional data failures from the Pensions Regulator data scoring exercise undertaken in November 2021.	Resolve all common and conditional data fails highlighted by the data scoring exercise.	Inaccurate common data can potentially result in a breach of personal data. Scheme members may also not receive important Fund communications. Inaccurate data can also lead to a miscalculation of individual pension liabilities which may adversely impact the scheme member, scheme employer or Fund.	Unresolved data fails will appear in 2022 audit and impact 2022 data scores submitted to TPR.	Improvements to be made on the following areas which were identified as failures in 2021: NI Numbers: 918 Date commenced: 279 Status: 3 Status and Invalid data view: 2150 Address: 4421 Status and valid data view: 175 Overall Pass rate CPF: 92.8%	Correct data held by reviewing member's documents and/or contacting relevant parties for confirmation.	February 2022 – October 2022	Officers from within the Systems and Projects Teams.
2	Completing the GMP rectification project	A GMP reconciliation project has identified records where incorrect GMP values	If the fund does not change the values this could put the fund at risk of paying improper benefits to the affected scheme members.	None	1924 Non active scheme member records to be assessed and remedial action taken.	Reviewing highlighted records that need changing and making necessary amendments to	April 2022 – March 2023	Officers from within the Projects Team

No.	Area of Improvement	Action	Risk	Effect on TPR data scoring	Number of affected records	Method of resolution	Resolution timescale	Resource required
		appear to be held by the Fund. These cases will be reviewed and remedial action undertaken, including managing any under or over payments.				the affected scheme members benefits and communicating the changes to them.		
3	Assessing membership in scope of the McCloud remedy and rectifying any cases that have been identified as being incorrect.	Missing scheme membership has been requested from employers. Once the data has been returned, and the remedy agreed, work will commence on rectifying affected records.	If membership is found to be in scope and not rectified, then this could lead to the member having received incorrect benefits outside of the regulations.	None	To be determined	Reviewing highlighted records that need changing and making necessary amendments to the affected scheme members benefits and communicating the changes to them.	Scheme member data to be updated from employer submissions by 31 March 2023. Full rectification timeline to be determined.	Officers from within the Projects Team Any additional resource to be agreed with the Pension Fund Committee.
4	Prepare data for the Triennial Valuation	Officers upload membership data to the Universal Data Extract facility (UDE) and manage critical errors and warnings. Remedial action undertaken as required on	Incorrect data shared could lead to incorrect valuation results being issued to scheme employers.	N/A	Number of queries are determined once issued from Fund Actuary	Work through the UDE and fix queries and undertake remedial action on the administration system.	Upload to UDE by 5 August 2022 Other activities in line with valuation project plan.	Employers and Systems Team Officers

No.	Area of Improvement	Action	Risk	Effect on TPR data scoring	Number of affected records	Method of resolution	Resolution timescale	Resource required
		administration system. Further queries from the Fund Actuary addressed as required.						

CAMBRIDGESHIRE PENSION FUND

Pension Fund Board

1 July 2022

Report by: Head of Pensions

Subject	Reporting Breaches of the Law to the Pensions Regulator Policy
Purpose of the Report	To present the review of the Reporting Breaches of the Law to the Pensions Regulator Policy to the Pension Fund Board.
Recommendations	The Pension Fund Board is asked to review the Reporting Breaches of the Law to the Pensions Regulator Policy.
Enquiries to:	Michelle Oakensen, Governance Officer michelle.oakensen@westnorthants.gov.uk

1. Background

- 1.1 In line with the Pensions Regulator's Code of Practice number 14 (Governance and administration of public service pension schemes); the Fund has a policy in place that sets out the mechanism for reporting breaches of the law.
- 1.2 The policy ensures that those with a responsibility to report breaches of the law are able to meet their legal obligations, by analysing situations effectively in order to make an informed decision on whether a breach has been made.
- 1.3 The policy was first approved by the Pension Fund Committee in October 2015 and was subsequently reviewed and approved in October 2018. A review should be undertaken every two years.
- 1.4 "The new code of practice" was due to come into force in November 2021 and the Cambridgeshire Pension Fund review was postponed to align with this date. However, now that date has passed with no firm date for publication of "the new code" it is prudent to review at this time based on the current code. A further review will be carried out when "the new code" comes into effect. "The new code" is due to comprise of 51 modules representing the content of the ten existing codes. Therefore, it is believed that the majority of the content will be the same.
- 1.5 The current review of the Policy can be located in appendix 1 and the comparison document in Appendix 2.

2. The Pensions Regulator Code of Practice

- 2.1 The Code of Practice identifies those individuals responsible for reporting breaches of the law and the associated legal requirements

- 2.2 The policy provides the process to report a breach to the Regulator and details surrounding timescales and urgency of cases.
- 2.3 The policy also identifies the need to record breaches that are not significant to the Regulator in order that processes can be improved to avoid repeated occurrences.
- 2.4 Examples of breaches of significance and non-significance are documented in the appendix of the policy, the purpose is to put into context the policy and when it may need to be enforced. Individuals will need to apply the principles of the policy when deciding whether to report a breach.

3. Changes to the Policy

- 3.1 The below table documents the proposed changes to the policy:

Number	Section	Proposed change
	Whole Policy	General tidying up of – <ul style="list-style-type: none"> • Job titles • Branding • Chair references • Fund references • Removal of LGSS • Contact details updated • Full details in replace of full report when the Committee/Board is to be updated of a breach. A full report may not always be necessary and an update via the Governance and Compliance Report maybe more appropriate.
4.	Effective date	A table has been incorporated to clearly show the previous reviews.
6.	Scope	Service providers added to the list that the policy applies to.
9.4/9.5/9.7	Material significance	Clarification on the traffic light framework and decision tree. Administering Authority (AA) reference changed to Head of Pensions as a single point for decision as AA is too vague and could result in no responsibility being taken.
10.4.	Guidance on reporting a breach to the Pensions Regulator	Preferred methods of reporting for the Cambridgeshire Pension Fund added.
12.	The Pensions Regulator's response to a report of a breach of the law	Additional section added to demonstrate potential measures that could be taken by the Regulator.
13.	Failure to report	Additional section added to highlight factors the Regulator would consider if a report has not been made or not been made in a timely manner as required.
14.4.	Whistleblowing protection and confidentiality	Statement added on Regulator expectations for reporters

3. 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

4. Risk Management

- 4.1 The Pension Fund Committee and Pension Fund Board have an obligation to ensure that breaches of the law that are considered to be of a material interest to the Pensions Regulator are reported accordingly.
- 4.2 The risks associated with Pension Fund Committee and Pension Fund Board members not having the required level of knowledge and understanding surrounding reporting breaches of the law to the Pensions Regulator have 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
Risk of fraud and error	Green
Failure to administer the scheme in line with regulations and guidance	Green
Failure to understand and monitor risk compliance	Green
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making	Green

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

5. Communication Implications

Direct Communications	All individuals who are involved in the administration of the Fund will be advised of their obligations to report breaches of the law and the associated procedure as detailed in the policy.
Website	The policy will be published on the Pensions Service website.

6. Finance & Resources Implications

- 6.1 Failure to adhere to the policy and to implement effective controls to prevent breaches of the law may result in fines for those charged with responsibility of the Fund.

7. Legal Implications

- 7.1 Failure to adhere to the policy and to implement effective controls to prevent breaches of the law may result in fines for those charged with responsibility of the Fund.

8. Consultation with Key Advisers

- 8.1 Consultation with the Fund's advisers was not required for this report.

9. Alternative Options Considered

- 9.1 Not applicable

10. Background Papers

- 10.1 [Current Reporting Breaches of the Law to the Pensions Regulator Policy](#)

11. Appendices

- 11.1 Appendix 1 Proposed Reporting Breaches of the Law to the Pensions Regulator Policy 2022
- 11.2 Appendix 2 Comparison between the 2018 and 2022 Policy

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 10 June 2022

Reporting Breaches of the Law to the Pensions Regulator Policy 2022

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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 April 2015 the Pensions Regulator (the Regulator) published its Code of Practice no 14 (the Code) Governance and administration of public service pension schemes. 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 Fund Committee on 22 October 2015 and has been subject to the following reviews:

Date of review	Effective Date	Type of review
19 October 2018	20 October 2018	Full review

5. Review

- 5.1 This policy on Reporting Breaches of the Law to the Pensions Regulator is expected to be appropriate for the long-term but it will be reviewed every 2 years to ensure it remains accurate and relevant.

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

- 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 a 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 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:

- cause of the breach - e.g. dishonesty, poor governance, incomplete or inaccurate information, acting or failing to act in contravention of the law;
- 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; ineffective internal controls, lack of knowledge and understanding, inaccurate records, potential for further breaches occurring;
- reaction to the breach - e.g. taking prompt and effective action to resolve a breach, notifying scheme members where appropriate; and
- 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.

- 9.2 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.

- 9.3 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.

- 9.4 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:

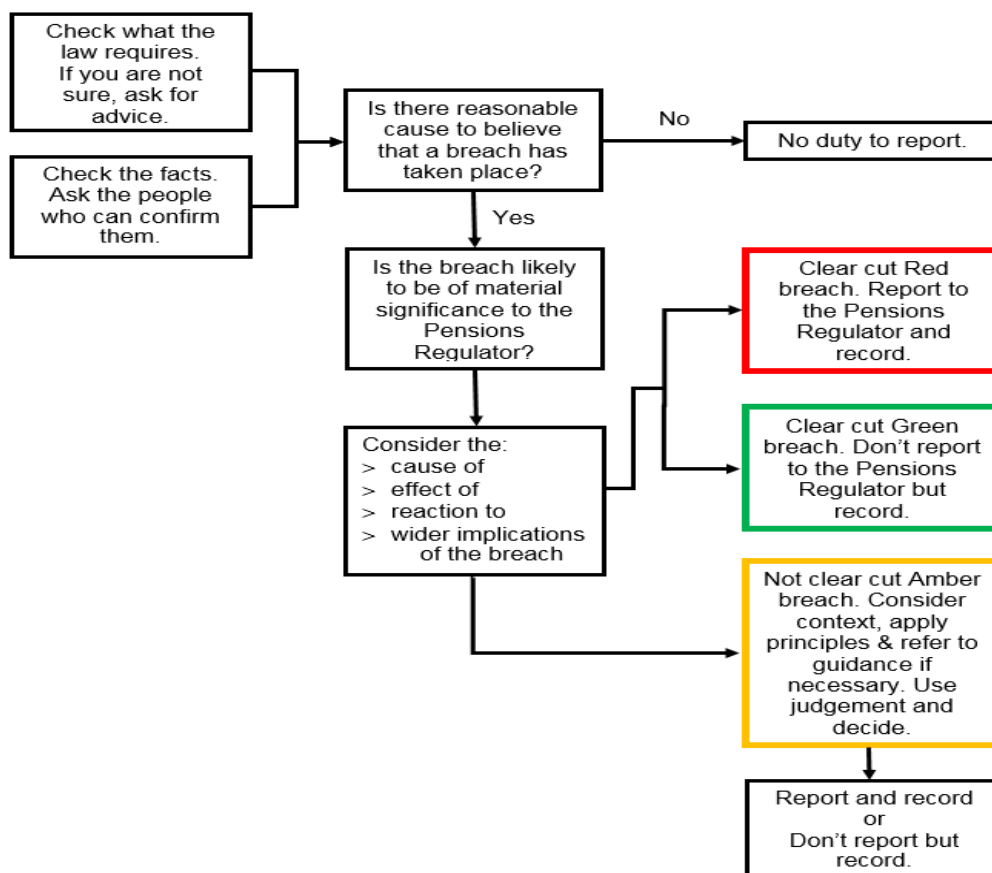
Green – not caused by dishonesty, poor governance or a deliberate contravention of the law and its effect is not significant and a plan is in place to rectify the situation. In such cases the breach may not be reported to the Regulator but should be recorded in the Pension Services breaches log.

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.

- 9.5 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.
- 9.6 Once a breach or likely breach has been identified, regardless of whether it needs to be reported to the Regulator, the Governance and Compliance 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.
- 9.7 Significant breaches must also be reported to the Section 151 officer and Chair of the Pension Fund Committee and Pension Fund 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 as below:



- 9.8 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.
- 9.9 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.
- 9.10 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.

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 30 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 or by fax.
- 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.

Additional information that would assist the Pensions Regulator would include, the reason the breach is thought to be of material significance ; the address of the Fund; the pension scheme's registry number; and whether the concern has been reported before.

- 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 appropriate.
- 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 a 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.
- 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.

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
Urgent and Material	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 Fund Committee and Pension Fund Board, with full details to be submitted at the next available meeting for members.

Non urgent and material	Responsible officer informs Head of Pensions and Governance team, the breach is reported within 30 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 Fund Committee/Pension Fund Board meeting.
Immaterial	Responsible officer informs Head of Pensions and governance team within 30 days.	Governance team to keep record of breach and investigate options to prevent further occurrence.	Report immaterial breach at next Pension Fund Committee/Pension Fund Board meeting.

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 a 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 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 a 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 a 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.
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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. Training

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

16. Contact details

16.1 The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW
0345 6000707
customersupport@tpr.gov.uk

Mark Whitby
Head of Pensions
One Angel Square
Angel Street
NN1 1ED
mark.whitby@westnorthants.gov.uk

17. Further guidance

Section 70(1) and 70(2) of the Pensions Act 2004:

www.legislation.gov.uk/ukpga/2004/35/contents

Employment Rights Act 1996:

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www.legislation.gov.uk/uksi/2013/2734/contents/made

Public Service Pension Schemes Act 2013:

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Local Government Pension Scheme Regulations (various):

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The Pensions Regulator's Code of Practice:

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Appendix 1 - 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 Fund 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 2 - 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 3 - 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 Fund 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 Fund 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.

Reporting Breaches of the Law to the Pensions Regulator Policy 2022~~18~~

4



West
Northamptonshire
Council



Cambridgeshire
County Council

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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 April 2015 the Pensions Regulator (the Regulator) published its Code of Practice no 14 (the Code) Governance and administration of public service pension schemes. 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 Fund Committee on 22 October 2015 and has been subject to the following reviews:

<u>Date of review</u>	<u>Effective Date</u>	<u>Type of review</u>
<u>19 October 2018</u>	<u>20 October 2018</u>	<u>Full review</u>

55. Review~~Review~~

5.1 This policy on Reporting Breaches of the Law to the Pensions Regulator is expected to be appropriate for the long-term but it will be reviewed every 2 years to ensure it remains accurate and relevant.

66. Scope~~Scope~~

6.1 6.1 The policy applies to:

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

77. Legal Requirements~~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~~s~~; and
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any of its functions.

88. Reasonable Cause~~Reasonable Cause~~

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 a 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 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:

cause of the breach - e.g. dishonesty, poor governance, incomplete or inaccurate information, acting or failing to act in contravention of the law

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; ineffective internal controls, lack of knowledge and understanding, inaccurate records, potential for further breaches occurring

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

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.

- 9.2 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.

- 9.3 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.

- 9.4 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.

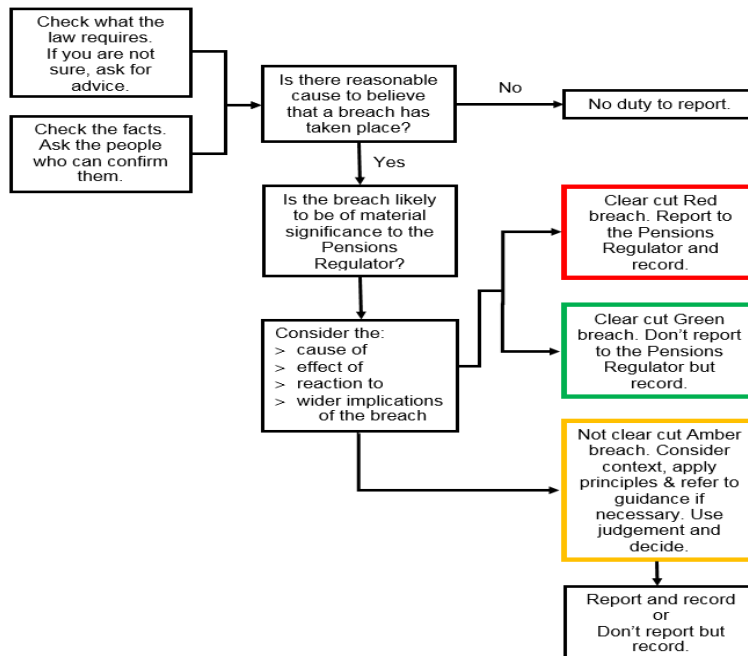
Red - caused by dishonesty, poor governance or a deliberate contravention of the law and having a significant impact, even where a plan is in place to rectify the situation. The Head of Pensions must ensure all such breaches are reported to the Regulator in all cases.

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

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

9.6 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.

9.7 Significant breaches must also be reported to the Section 151 officer and Chair of the Pension Fund Committee and Pension Fund 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 as below:



- 9.8 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.
- 9.9 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.
- 9.10 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;
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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 or by fax.

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.

Additional information that would assist the Pensions Regulator would include, the reason the breach is thought to be of material significance ; the address of the Fund; the pension scheme's registry number; and whether the concern has been reported before.

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

16. Contact details

16.1 The Pensions Regulator Mark Whitby
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mark.whitby@westnorthants.gov.uk

17. Further guidance

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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 **Fund** 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 2 - 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 3 - 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 Fund 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 Fund 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 Board

Date: 1 July 2022

Report by: Head of Pensions

Subject:	Valuation Update
Purpose of the Report:	To provide the Local Pension Board with an update on the Pension Fund valuation.
Recommendations	The Board is asked to note the valuation update
Enquiries to:	Mark Whitby, Head of Pensions, mark.whitby@westnorthants.gov.uk

1. Background

- 1.1 The administering authority is required, under the Local Government Pension Scheme Regulations 2013 (the Regulations), to obtain an actuarial valuation of the Pension Fund every three years. The administering authority is also required to obtain, before the first anniversary of the valuation date, a report, by an actuary, in respect of the valuation and a rates and adjustments certificate, certifying the contribution rates to be paid by each employer participating in the Fund.
- 1.2 The valuation date was 31 March 2022, meaning the valuation must be completed and documents obtained by 31 March 2023.
- 1.3 This report provides the Board with an update on the progress of valuation activities so far.

2. Update on Progress with the Valuation

- 2.1 All pre-valuation activities have been completed. This includes:
 - Initial data cleansing activities
 - Engagement with employers subject to strength of covenant assessments
 - Analysis and approval of key demographic and financial assumptions
 - Training for officers and Committee members
 - Initial project planning sessions and project kick off meeting with officers

- 2.2 Following a presentation from the Fund Actuary at their last meeting, the Pension Fund Committee agreed the stabilisation approach to be used for setting contribution rates for the County, District, City and Unitary councils and the Police and Fire services.
- 2.3 As a result of the secure nature and long-term statutory participation of these employers, a different approach, known as stabilisation, is taken when setting employer contribution rates. This restricts the amount by which contribution rates can increase or decrease from year to year and from one valuation to the next.
- 2.4 A meeting has been held with the Chief Financial Officers of these employers to discuss the options available for their contribution rates from 1 April 2023 to 31 March 2026, with rates to be agreed in due course.
- 2.5 Project management meetings are being held every fortnight to ensure progress is being made within each workstream and to identify any risks or issues at the earliest opportunity.
- 2.6 An outline “Plan on a Page” has been included as Appendix 1 to this report for information. The plan sets out the key dates and activities of each workstream and sets out the agenda for Committee decisions required throughout the remainder of the project and when those decisions will be taken. The schedule is as follows:

Meeting	Valuation agenda items
October 2022	<ul style="list-style-type: none"> • Approve draft funding strategy statement for consultation with employers. • Note whole Fund valuation results.
December 2022	<ul style="list-style-type: none"> • Approve final funding strategy statement. • Note trends from employer contribution rate assessments.
March 2023	<ul style="list-style-type: none"> • Approve final valuation report and rates and adjustments certificate.

3. Relevant 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.
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.
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.
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
Ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer.
Seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.

4. Finance & Resources Implications

4.1 None

5. Risk Management

5.1 The risks associated with failing to monitor progress made against the Business Plan and Medium-Term Strategy have been captured in the Fund's risk register as detailed below.

Risk	Residual risk rating
Failure to respond to changes in economic conditions.	Amber
Fund assets are not sufficient to meet obligations and liabilities.	Green
Failure to administer the scheme in line with regulations and guidance	Green
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green

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

6. Communication Implications

Direct Communications	None
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7. Legal Implications

7.1 Not applicable.

8. Consultation with Key Advisers

8.1 Consultation with the Fund's actuarial adviser has been undertaken throughout the project.

9. Alternative Options Considered

9.1 Not applicable.

10. Background Papers

10.1 Not applicable.

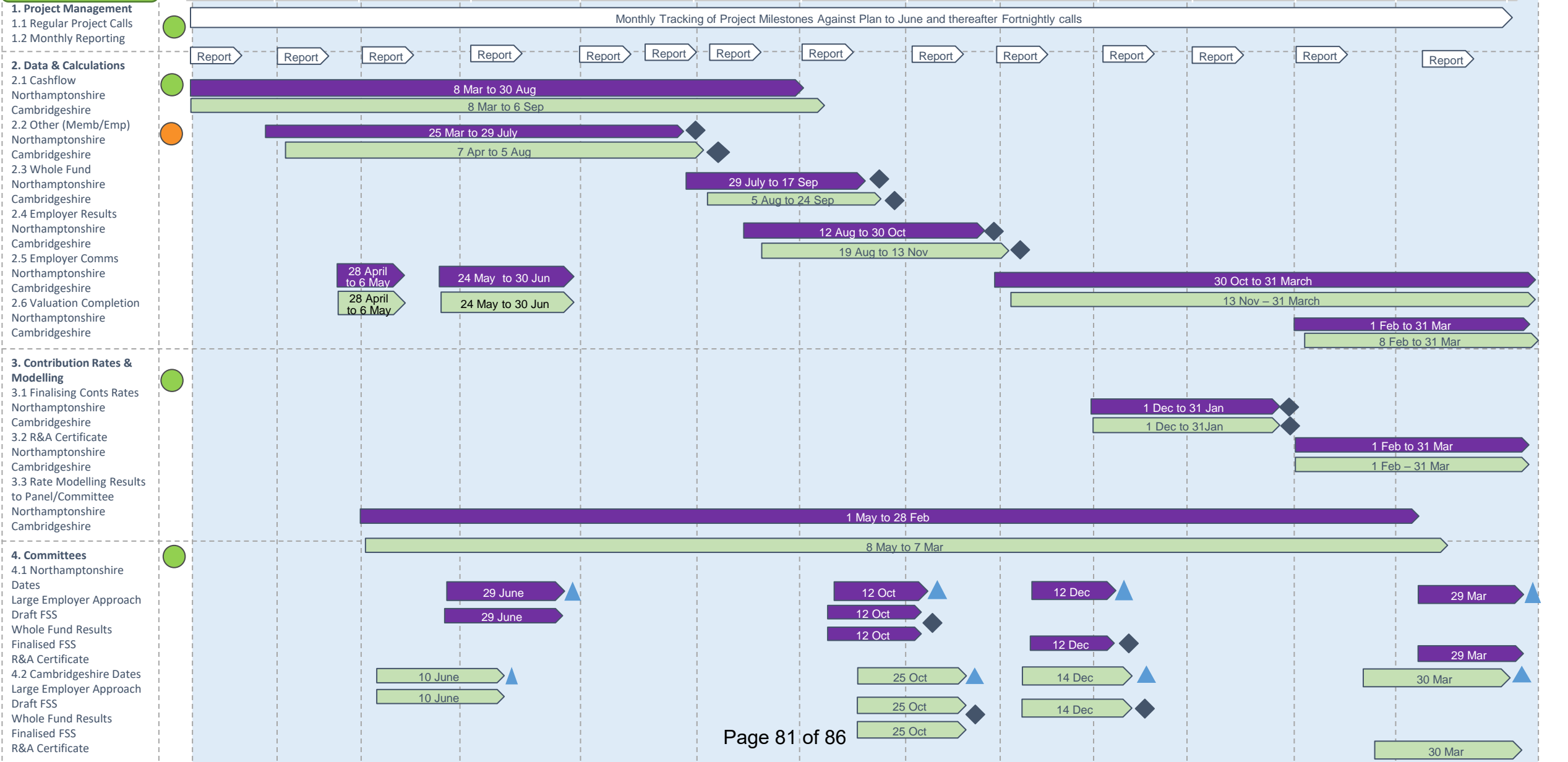
11. Appendices

11.1 Appendix 1 – Valuation Plan on a Page

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	10 June 2022

Cambridgeshire & Northamptonshire Pension Fund 2022 Valuation Project – POAP

Overall Status



Cambridgeshire Pension Fund Board Agenda Plan

Meeting date	Agenda item	Lead officer
1/7/2022	Minutes 29/4/2022 and Action Log	R Leighton
	Administration Report [standing item]	J Kent
	Risk Monitoring [standing item]	M Oakensen
	Governance and Compliance Report [standing item]	J Kent
	Data Improvement Policy and Plan [post scrutiny]	M Whitby
	Valuation Update [to note]	C Blose
	Reporting Breaches of the Law to the Pensions Regulator [pre scrutiny]	M Oakensen
	Cyber Resilience [standing item] exempt	J Kent
	ACCESS Update [standing item] exempt	M Whitby
	Pension Committee Minutes	R Leighton
4/11/2022	Minutes 1/7/2022 and Action Log	R Leighton
	Administration Report [standing item]	J Kent
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	J Kent
	Risk Monitoring [standing item]	M Oakensen
	Risk Strategy [pre scrutiny]	M Oakensen
	Internal Audit [to note]	M Whitby

Meeting date	Agenda item	Lead officer
	Annual Report and Statement of Accounts/External Audit [to note]	M Whitby
	Conflicts of Interest Policy [post scrutiny]	M Oakensen
	Climate Change Action Plan	M Whitby
	Good Governance Review Action Plan [to note]	J Kent
	Code of Practice Action Plan [to note]	J Kent
	Administration Strategy [post scrutiny]	C Blose
	Cyber Resilience [standing item] exempt	J Kent
	ACCESS Update [standing item] exempt	M Whitby
	Pension Committee Minutes	R Leighton
27/1/2023	Minutes 4/11/2022 and Action Log	R Leighton
	Administration Report [standing item]	J Kent
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	J Kent
	Risk Monitoring [standing item]	M Oakensen
	Overpayment of Pension Policy [pre scrutiny]	M Oakensen
	Review of website and digital communications [to note]	C Blose
	Communication Strategy and Plan [pre scrutiny]	C Blose
	Funding Strategy Statements [post scrutiny]	C Blose
	Cyber Resilience [standing item] exempt	J Kent

Meeting date	Agenda item	Lead officer
	ACCESS Update [standing item] exempt	M Whitby
	Pension Committee Minutes	R Leighton

