PENSION FUND COMMITTEE

Wednesday, 02 October 2024

<u>10:00</u>

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

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

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

AGENDA

Open to Public and Press

13. Exclusion of Press and Public

To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information)

14. Minutes - 18 July 2024 (confidential)

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

15. Stewardship Report (confidential)

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

16. ACCESS Update (confidential)

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

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

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The Pension Fund Committee comprises the following members:

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

Clerk Name:	Richenda Greenhill
Clerk Telephone:	01223 699171
Clerk Email:	richenda.greenhill@cambridgeshire.gov.uk

Pension Fund Committee: Minutes – Public

Date: 18th July 2024

Time: 10:00am – 12.15pm

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors M Black (Vice Chair), A Costello, P McDonald, A Whelan (Chair) and A Wood (substituting for Councillor Batchelor); Fenland District Councillor Chris Boden and Huntingdonshire District Councillor Lara Davenport-Ray; Howard Nelson

Advisors: F Alves and C West (Mercer); S Gervaise Jones (bfinance)

203. Apologies for absence and declarations of Interest

Apologies were received from Councillors Batchelor (Councillor Wood substituting) and Sharp, and Liz Brennan.

204. Public minutes of the Pension Fund Committee meeting held 6th June 2024 and Action Log

The public minutes of the Pension Fund Committee meeting held on 6th June 2024 were approved as a correct record.

Noting the discussion in the minutes on the community wealth building debate, a Member commented that it had been suggested that this could be discussed further at a future meeting, and it was agreed that officers would pick this up as an action. Action required

The Action Log was noted.

205. Petitions and Public Questions

There were no petitions or public questions.

206. Multiple Investment Strategies

Members considered a report seeking approval for detailed modelling of the potential impact of having multiple investment strategies for Fund employers.

Following the 2019 triennial valuation, officers investigated and reported to the Pension Fund Committee the potential benefits of implementing a framework whereby the Fund offered multiple employer investment strategies to meet the different needs of the diverse groups of employers participating in the Fund. The modelling at that time concluded that there was no material improvement in funding outcomes for employers by introducing such a framework, but did suggest that it would be worth reviewing in the future.

Market conditions and the funding position of the Pension Fund were now sufficiently different to warrant this reassessment, and the Actuary had suggested that a further detailed review would be justified. Given the distinctive characteristics of each individual employer, the Actuary had proposed to initially model three different groups of employers, reflecting different needs and investment strategies. The modelling would consider the results that would be achieved from implementing those investment strategies, and any material improvements that could be made, including de-risking e.g. locking in a positive funding position. The cost of the modelling was £25,000 + VAT, which was less than the modelling costs in 2019.

A Member asked how this would work in practice. It was clarified that this was aimed at employers rather than scheme members, and it would provide employers the opportunity to influence the composition of their fund to match their requirements. Interested employers would be consulted on their best option from the three buckets offered. The Member observed that whilst the proposal did not offer much choice for employers, it was more than was offered currently, and a balance needed to be achieved in terms of what was manageable and practical for the Fund.

A Member asked if other local authority funds provided these type of options. Officers confirmed that a number of local government Pension Funds had offered multiple investment strategies for some years, with some Funds offering over 20 different options for employers. The modelling would identify the most suitable approach for the Cambridgeshire Fund. Attention was drawn to the distinctive characteristics of employers that the Actuary had proposed to model on initially.

A Member asked about the impact on the Pension team, specifically additional pressures on workloads and costs, and whether these pressures had been assessed. Officers confirmed that there would still be one investment strategy, but that beneath that there would be artificial buckets with individual rates of return. In 2019, unitisation was introduced with actual cashflows for each employer reported to the Actuary, in anticipation of potentially introducing multiple investment strategies at some stage in the future. The Fund's Investment Strategy remained appropriate for the majority of employers, but some employers would be assisted with a different investment approach and risk appetite. The Member commented that it would be helpful to identify the impact that this would have on the Pension team as part of the modelling work.

A Member observed that there was a balance between the potential advantage to some scheme members and the costs involved, including the impact on the service. He also suggested that there was a broader issue on whether Committee Members should represent the majority of employers' interests, or whether they had a duty to all employers including potential outliers.

It was unanimously resolved to approve detailed modelling of the possible impact of having multiple investment strategies for Fund employers.

207. KPMG Audit Plan for Cambridgeshire Pension Fund 2023-24

The Committee received the Audit Plan from KPMG, which set out how they would audit the accounts. The audit had already commenced. Members noted the key risks, which included override of management controls, and Level 3 investments i.e. assets which were difficult to value such as the Cambridge and Counties Bank, Property and Private Equity, where there was an element of estimation or separate valuation.

Materiality was based on 1% of net assets, which at the time of the calculation was £42.3M and reported misstatements to be reported are £2.1M. These misstatements were corrected where they were identified.

Mr Iqbal, the external auditor, advised that work had already commenced, and most of the substantive work was expected to be completed in August and September, but this was somewhat dependent on when the previous auditor signs off the previous year's accounts. He outlined the significant risks and materiality levels.

A Member noted that the potential audit fee had effectively quadrupled, and asked if this would be the standard fee going forward, or if it reflected additional work during the first year, as a result of change in auditor and factors such as ISA 315. He acknowledged that the fees were set by PSAA and could not be negotiated. Mr Iqbal confirmed that as it was part of the PSAA contractual framework, KPMG had no control over the fee, which was set by PSAA on the basis of the submissions which firms had put forward, changes in reporting standards, etc. The fee formed the basis for the next five years. The specific ISA 315 costs would be a one-off fee for the current year. It was confirmed that the cost of the external valuation e.g. for Cambridge and Counties Bank, for audit purposes, was not significant. It was noted that officers had had sight of a spreadsheet detailing fees for external audit for all PSAA/Local government Funds, and Cambridgeshire's fees were average compared to other authorities.

A Member queried the value of retaining Cambridge and Counties Bank. Officers confirmed this had been discussed at previous meetings, including the potential for an exit strategy, and it was confirmed that there would be a further report at the next Investment Sub-Committee meeting.

A Member asked if the Committee would be notified of all misstatements, regardless of whether it was determined that they were material and required amendment, or not, as it was important that the Committee had oversight of that particular process. Mr Iqbal confirmed that all misstatements, including immaterial misstatements, would be reported to Committee and management as part of ISA 260.

A Member asked when the fees would be confirmed, especially for ISA 315. They asked what the process would be for the additional hours required. It was noted that the standard PSAA protocol would be followed for any fee variation, whereby the fee would first need to be agreed by management, specifically the Section 151 Officer, and would then be reviewed by PSAA, who would determine whether to approve the fee variation or not.

A Member queried the anticipated "moderate" impact of "Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors". Mr Iqbal explained that any Level 3 investment was estimated, and similarly with pooled investments, where a valuation report was not available and there was a lag, an element of estimation was involved. The "moderate" judgement was because the substantive procedures were carried out in the summer, so by the time that work was being carried out, the 31st March 2024 valuation report would be available.

A Member asked why the 2022/23 financial statements had not been signed off. It was confirmed that this delay related to the County Council's accounts, which the Pension Fund accounts formed part of. The Executive Director for Finance and Resources advised that there would be an update on this to the Audit and Accounts Committee later in the month. The General Election had resulted in a delay in terms of an implementation of the backlog process. External auditors indicated they were unable to complete the 2022-23 audit, and further details would be available once confirmation had been received from MHCLG. This was a national issue, and all Councils were in the same position.

It was unanimously resolved to note the Audit Plan 2023-2024 and the presentation by KPMG.

Mr Iqbal left the meeting.

208. Pension Fund Statement of Accounts 2023-24

Members received a report on Pension Fund Statement of Accounts 2023-24.

The following points were noted:

- Contributions had increased substantially, as this was the first year of valuation process, so there were some employers which paid their 3-year secondary contribution in the first year;
- Benefits had increased, in line with inflation and membership;

- Transfers in and out, had also increased, but these are demand led;

- the Fund was cash positive by £35.3M, before Management Expenses. A review had recently been undertaken around the potential for the Fund to become cash negative, and that work suggested this would happen in 5-10 years. For this reason, there was an increased focus on assets that produced a cashflow;

- Investment assets had increased by £504M. Investment income had increased, and there was an increased focus on assets that produced a cashflow;

- on the Net Asset Statement, the investment liabilities resulted from a timing issue, relating to a transfer that had not gone through by the end of March. Current assets were generally contributions paid in April relating to March, and current liabilities were the reverse e.g. management fees which needed to be showed in the correct period.

Arising from the report:

- a Member queried Note 14a: reconciliation of movements in investments and derivatives, which indicated that 30% of the portfolio had changed during the year. He asked if this was an unusually high figure given the long term nature of the Pension Fund’s investments. Officers confirmed that this mainly related to the Strategic Asset Allocation, reducing equities and increasing Fixed Income assets, and also new investments made via the ACCESS Pool e.g. BlueBay. It was confirmed that this level of churn would not be expected in future years;

- a Member was interested to see the information on derivative contracts, and asked what these were used for, assuming that losses were significantly offset by gains elsewhere. Officers confirmed this was the case and agreed to bring a report on derivative contracts to a future meeting; Action required.

- a Member noted the 11% return on investment, net of fees, compared to the 14% weighted benchmark, and asked how this compared to previous years, and whether there were any lessons learned on how to get closer to benchmark? Mercer advised that this would be covered later in the meeting, but commented that sometimes benchmarks were not achievable, and a balance needed to be struck between setting benchmarks that were achievable but challenging. The other factor was the market environment;

- a Member queried the £36K paid in taxes. Officers confirmed that this was because the Fund now held segregated equities, which was not the case in previous years;

- a Member queried the £187M change in year in market value for Bonds. Officers advised this reflected the transition to pooled investments, not a change in market value. The Member suggested that a Note on this point would be helpful. Action required.

It was resolved unanimously to note the Draft Statement of Accounts of the Pension Fund for the 2023-24 financial year.

209. Cambridgeshire Pension Committee Forward Agenda Plan

Members considered the Agenda Plan.

The AVC framework had not yet been released, and officers were also reviewing the impact of the pension dashboard on AVCs, so this would be rescheduled to a later meeting.

It was resolved to note the Committee Agenda Plan.

210. LGPS Efficiencies Response to Government

The Committee considered a report on the response to government on LGPS efficiencies. The only change to be made was to reflect the name change of the Department, from DLUHC to MHCLG, following the General Election. The letter was a response to Ministerial question on pooling and efficiencies, and was due to be submitted by 19th July 2024.

A number of Members commented that they were delighted to see officers had kept this letter to an appropriate level.

It was resolved to note the report.

211. Exclusion of Press and Public

It was resolved unanimously that the press and public be excluded from the meeting on the grounds that the following items contain exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, and that it would not be in the public interest for this information to be disclosed information relating to the financial or business affairs of any particular person (including the authority holding that information).

212. Confidential minutes of the Committee meeting held 6th June 2024

The confidential minutes of the Pension Fund Committee held 6th June 2024 were approved as an accurate record.

213. Annual Investment Review

The Committee considered a report reviewing the performance of the Fund's Investment Managers for the year ended 31st March 2024.

It was resolved unanimously to note the Mercer presentation – Annual Investment Review.

214. Annual Investment Consultancy Provider Review

Members received an annual review report on the Investment Consultancy contract with Mercer.

It was resolved unanimously to approve the report recommendations.

[Chair]

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 2 – Appendix 1

Pension Fund Committee
Action log from previous meetings

This log captures the actions from the Pension Fund Committee of the 18 July 2024 together with any carried forward items from previous meetings and updates members on the progress on compliance in delivering the necessary actions. This is the updated action log as at 20 September 2024.

Actions from 18 July 2024 meeting of the Pension Fund Committee.

Item No.	Item	Action to be taken by	Issue	Action/Status
204	Public minutes of the Pension Fund Committee meeting held 6th June 2024 and Action Log	Ben Barlow	A Member inquired about how the County Council's commitment to community wealth building is incorporated into procurement and investment decisions.	The officers reached out to the member to inquire whether further details were required based on the answers provided during the meeting.
208	Pension Fund Statement of Accounts 2023-24	Ben Barlow	a) Officers to add note to Appendix A of the report (transition of investments in bond to a pooled bond fund during 2023-24) for better readability. b) Officers to prepare and present a new paper on use of derivatives.	a) Completed. b) In progress. Will be presented at the November Investment Sub-committee (ISC) meeting.
213	Annual Investment Review	Ben Barlow	a) Officers agreed to share the links of the Fund's decarbonisation pathway and climate action plan with the committee members. b) The Fund's investment consultant is to provide additional details on the quality of both actual and estimated data used in the climate report.	a) Completed. b) In progress. Will be implemented for the November ISC meeting.
214	Annual Investment Consultancy Provider Review	Ben Barlow	a) The Fund's investment consultants to provide advice on whether King's Speech/change of Government impacts investment strategy.	a) Completed. A paper on current topics was presented at the September ISC meeting. The paper has been circulated to

			b) The Fund's investment consultant is requested to provide an anonymised version of the report presented to the other Pension Fund Committee.	Board/Committee members after the meeting. b) Completed.

Actions from 6 June 2024 meeting of the Pension Fund Committee

Item No.	**Item**	**Action to be taken by**	**Issue**	**Action/Status**
192.	Administration Performance Report	Michelle Oakensen	Officers to add more information to Appendix 2 of the report (actual number of cases processed within target) to add additional context.	Completed. Information added to appendix 2.
195.	Pension Fund Annual Business Plan Update report 2024-/25	Michelle Oakensen	Confirm what are the oldest cases in the undecided leavers backlog.	Completed. The ringfenced backlog has reduced from 9,129 to 2,659 during the period 30/6/2021 to 31/8/2024 (a reduction of 6,470). The oldest undecided leaver cases are from April 2014. As part of the backlog management a number of officers are now prioritised with working on oldest cases first.
196.	Cambridgeshire Pension Fund Administration Strategy	Cory Blose	A Member suggested that target may be an inappropriate term for Member Experience Performance Standards, and a better term may be *minimum expected thresholds or minimum service leve*l. Officers agreed to review and change the wording, if necessary.	Completed.

Actions from 28 March 2024 meeting of the Pension Fund Committee

Item No.	Item	Action to be taken by	Issue	Action/Status
185.	Cambridgeshire Pension Fund – Additional Contribution Provider Update	Michelle Oakensen	Officers agreed to review the issue of Section 112 compliance in regards to the new Prudential HSBC Islamic Global Equity Index Fund available, officers also need to ensure that proper communications are issued to members.	It is our intention to close this action at the next meeting unless further clarification on the question is provided in the meantime.

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 4

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk
Subject:	Administration Performance Report
Purpose of the report:	To present the Administration Performance Report to the Pension Fund Committee for the period 1 April to 31 July 2024.
Recommendations:	The Pension Fund Committee is asked to: 1) note the Administration Performance Report 2) note the Data Improvement Plan located in appendix 5.

Enquiries to: Michelle Oakensen
Governance and Regulations Manager
michelle.oakensen@westnorthants.gov.uk

1. Background

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

2. Executive summary

2.1 This report sets out the performance of the Cambridgeshire Pension Fund on the following areas of administration:

2.2 The achievement against the Key Performance Indicators for the period 1 April to 31 July 2024. For the period 16 of the 28 KPI targets were achieved, with 4 red and 8 amber (sections 3.1-3.6 & appendix 1).

2.3 Progress on the development of the Customer Journey Key Performance Indicators (sections 3.7-3.9 & appendix 2).

2.4 Timeliness of receipt of employee and employer pension contributions for the period 1 July 2023 to 30 June 2024, 99.8% of payments were received on time (sections 3.10- 3.13 & appendix 3). Details of any late payments are detailed in Exempt Appendix 4.

2.5 Occurrences of breaches of the law for the period 1 April to 31 July 2024. There were no material breaches in the period (sections 3.14 – 3.15).

2.6 Details of any Internal Dispute Resolution Procedure cases during the period 1 April to 31 July 2024. There were three stage 1 administering authority disputes raised and one stage 2 determination made (sections 3.16 – 3.19).

2.7 Occurrences of material data breaches for the period of 1 April to 31 July 2024. There were no material data breaches for the period (section 3.20).

2.8 Details of any significant overpayment of pension for the period 1 April to 31 July 2024.There were no significant overpayments for the period (section 3.21).

2.9 Details of the 2024/25 Data Improvement Plan (section 3.22-3.23 & appendix 5)

3. Key Performance Indicators

Pension Service performance against Key Performance Indicators

3.1 The Pension Committee has in place a set of key performance indicators (KPIs) to assess the performance of the Pensions Service in the delivery of key items of casework. The actual performance against these KPIs for the period 1 April to 31 July 2024 can be found in appendix 1 along with the explanations for any underperformance.

3.2 Over the 4-month period, 16 of the 28 KPI targets have been met.

3.3 Several factors over previous months have contributed to missed KPI targets including inexperience within the team, vacancies, additional workloads due to McCloud and more recently heightened sickness levels. Measures to address these issues have been put in place as previously reported.

3.4 There were eight amber KPIs for the period, three on awarding dependent benefits (April, May, July), two in relation to the payment of pension benefits from deferred membership status (April and June), two in relation to providing transfer in quotes to members (May and June) and one in relation to the payment of transfers outs (April). In addition to ongoing issues, some cases were missed due to incorrect allocation and prioritisation of cases which was picked up within the team and for July all KPIs in those areas reverted back to green except for one.

3.5 During the period the KPI for providing an estimate of benefits to employees was red. The team continues to prioritise benefit payment casework, but clears all estimates as quickly as possible, prioritising the most urgent cases.

3.6 The approved additional posts within the Business Plan have now all been recruited to with the exception of one Officer vacancy, although there may be a period of short-term additional pressure whilst skills and knowledge are obtained the long-term benefits are expected to help alleviate pressures.

Development of the Customer Journey Performance

3.7 The table has been updated from May onwards to display the total number of completed cases inside and outside of target for each reporting month to give additional context to the % within target.

3.8 The new supplementary KPI information can be found in Appendix 2.

3.9 Once the reporting has been developed further, the intention is to analyse any lower than desired performance and target communications and interventions appropriately.

Receipt of Employee and Employer Contributions

3.10 Employers in the Fund have a statutory obligation to arrange for the correct deduction of employee and employer contributions and to ensure payment reaches the Pension Fund by the 19th of the month following the month of deduction. They must also provide an associated monthly statement/schedule in a format acceptable to the Administering Authority.

3.11 The table in appendix 3 shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions and/or submitted their schedules on time or late for the period 1 July 2023 to 30 June 2024.

3.12 For March 99.8% of contribution payments were received on time with 99.1% received on time for April, 99.8% for May and 100% for June. The current yearly average for payments made on time is 99.8% and schedules being received on time is 99.8%.

3.13 Details of late contribution payments can be found in Exempt Appendix 4.

Breaches of the Law

3.14 There are various laws relating to the Local Government Pension Scheme, with various individuals, including the Pension Fund Board, having a statutory duty to report material breaches of the law to the Regulator. The Cambridgeshire Pension Fund maintains a record of both material breaches that are reported to the Pensions Regulator as well breaches that are deemed not to be of material significance and so are not reported to the Pensions Regulator.

3.15 For the period 1 April to 31 July 2024, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non-Material Breaches	9 refund of contribution payments were paid outside of the statutory 5-year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the 5-

Type of Breach	Detail of Breach	Course of action
		year requirement.
	1 AVC payment paid to a member over the age of 75.	Recalculation of members lump sum allowance and lump sum death benefit allowance.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be found in Appendix 3.
	0.03% of active member Annual Benefit Statements were not issued prior to 31 August 2024 (7/26,818)	Complex issues prevented a small number of statements being issued by the statutory deadline. These cases will be reviewed and resolved manually.

Internal Dispute Resolution Procedure

3.16 Members, prospective members, and beneficiaries may not always agree with pension decisions that are made or may be unhappy that decisions have not been made, by either an administering authority or a scheme employer. The Internal Dispute Resolution Procedure (IDRP) is the route by which they may raise their concerns and challenge such decisions.

3.17 The following table details activity undertaken during the period 1 April to 31 July 2024 with regards to administering authority disputes.

3.18 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date Received	Date Decision Due	Stage 1 Decision: Upheld/not upheld/partially upheld	Date of Decision
Survivor's pension and subsequent trivial commutation paid in error as member's entitlement previously transferred. Survivor disputing requirement for repayment.	28/03/2024	27/05/2024 – extended to 27/07/2024	Upheld	10/07/2024
Complaint of maladministration due to failure to implement Pension Sharing Order within prescribed time limits	25/06/2024	24/08/2024		In progress
Complaint of maladministration in handling member's AVCs following transfer to Teachers	10/07/2024	09/09/2024		In progress

Pension Scheme				

3.19 Stage 2 disputes:

Nature of Admin Authority Stage 2 Dispute.	Date Received	Date Decision Due	Stage 1 decision upheld/not upheld/partially upheld	Date of Decision
Exiting employer challenging decision to reduce exit credit	02/04/2024	01/06/2024 extended to 15/06/2024	Upheld	10/06/2024

Material Data Breaches

3.20 None.

Significant overpayments of pension

3.21 None.

Cambridgeshire Pension Fund Data Improvement Plan

3.22 The Data Improvement Plan contains details of how the Fund aims to improve the quality of its data. Five areas have been identified and are included in the plan as follows:

- Improve the presence and accuracy of common data.
- Unprocessed leaver records.
- Unaggregated LGPS membership.
- Membership details of other previous Public Service Pension Schemes.
- Additional Voluntary Contributions.

3.23 The plan is located in appendix 5 and contains details on the proposed actions for the improvement to data quality.

4. Relevant Pension Fund objectives

4.1 Has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.

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

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

4.4 Continually monitors and measure clearly articulated objectives through business planning.

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

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

4.7 Administers the Fund in a professional and efficient manner, utilising technological solutions and collaboration.

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 None.

5.2 Legal

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

5.2.2 With all Internal Dispute Resolution Procedure (IDRP) complaints there is a risk that a complaint may be raised with the Pensions Ombudsman.

5.3 Communication Implications

5.3.1 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

5.4 Alternative Options Considered

5.4.1 Not applicable.

5.5 Risk management

5.5.1 The Fund's Administration Strategy sets out the performance standards of both the scheme employer and the administering authority. The Pension Fund Committee and Pension Fund Board are expected to monitor performance standards through information contained within the Administration Report which is presented at each meeting.

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

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

5.5.3 The Fund's risk register can be found on the Pensions website at the following link: Key documents (CCC) - Cambridgeshire and Northamptonshire LGPS (westnorthants.gov.uk)

5.6 Consultation with Key Advisors

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

6. Background papers

6.1 Not applicable.

7. Appendices

7.1 Appendix 1 - Key Performance Indicators.

7.2 Appendix 2 - Development of Key Performance Indicators continuing into 2024/2025.

7.3 Appendix 3 - Receipt of Employee and Employer Contributions.

7.4 EXEMPT Appendix 4 - Details of late contribution payments

7.5 Appendix 5 – Cambridgeshire Pension Fund Data Improvement Plan 24/25.

8. Accessibility

8.1 An accessible version of the information contained in this report and appendices is available on request from michelle.oakensen@westnorthants.gov.uk

Item 4 - Appendix 1 – Pension Service Key Performance Indicators for April to July 2024

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Function/Task	Indicator	Target	Month	Completed	Within Target	Over Target	% Within Target	RAG	**Comments**
Notify leavers of deferred benefit entitlement	Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information.	90%	April May June July	197 196 259 229	193 184 253 216	4 12 6 13	98 94 98 94	Green Green Green Green	SLA target met SLA target met SLA target met SLA target met
Payment of retirement benefits from active employment	Notify employees retiring from active membership of benefits award, from date payable or date of receiving all necessary information if later within 10 working days (from January, previously 5).	95%	April May June July	49 36 52 41	48 35 51 39	1 1 1 2	98 97 98 95	Green Green Green Green	SLA target met SLA target met 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 10 working days.	90%	April May June July	83 83 90 95	71 79 80 87	12 4 10 8	86 95 89 92	Amber Green Amber Green	SLA target not met* SLA target met SLA target not met* SLA target met
Award dependant benefits	Issue award within 5 working days of receiving all necessary information.	95%	April May June July	28 31 27 24	26 28 27 21	2 3 0 3	93 90 100 88	Amber Amber Green Amber	SLA target not met* SLA target not met* SLA target met SLA target not met*

Item 4 - Appendix 1 – Pension Service Key Performance Indicators for April to July 2024

Function/Task	Indicator	Target	Month	Completed	Within Target	Over Target	% Within Target	RAG	**Comments**
Provide a maximum of one estimate of benefits to employees per year on request	Estimate in agreed format provided within 10 working days from receipt of all information.	90%	April May June July	30 48 31 53	20 21 16 28	10 27 15 25	67 44 52 53	Red Red Red Red	SLA target not met* SLA target not met* SLA target not met* SLA target not met*
Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information.	95%	April May June July	20 23 26 23	19 20 24 22	1 3 2 1	95 87 92 96	Green Amber Amber Green	SLA target met SLA target not met* SLA target not met* SLA target met
Payment of transfer out	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	April May June July	17 10 6 31	14 10 6 29	3 0 0 2	82 100 100 94	Amber Green Green Green	SLA target not met* SLA target met SLA target met SLA target met

There were eight amber KPIs for the period, three on awarding dependent benefits (April, May, July), two in relation to the payment of pension benefits from deferred membership status (April and June), two in relation to providing transfer in quotes to members (May and June) and one in relation to the payment out of transfers (April). In addition to ongoing issues, some cases were missed due to incorrect allocation and prioritisation of cases which was picked up within the team and for July all KPIs in those areas reverted back to green except for one.

During the period there were four red KPIs on providing a maximum of one estimate of benefits to employees per year on request with the team currently focusing on working through the backlog that has been created, however, the clearance of the backlog has also been impacted by the ongoing issues, particularly the heightened sickness levels.

The approved additional posts within the Business Plan have now all been recruited to with the exception of one Officer vacancy, although there may be a period of short-term additional pressure whilst skills and knowledge are obtained the long-term benefits are expected to help alleviate pressures.

Green: Equal to or above Service Level Agreement (SLA) target.
Amber: Below SLA target, but number completed within target is within 10% of the SLA target.

Red: Below SLA target and number completed within target is not within 10% of the SLA target.

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

Function/Task	Indicator	Month	Completed	Within target	Over target	% Within Target	Comments
Provide basic scheme information to new joiners.	2 months from date of joining or member's request.	April May June July	N/A 736 513 442	N/A 660 386 352	N/A 76 127 90	63 90 75 80	The Pension Service is 100% within target for meeting the SLA of 2 months from the record being created on Altair which is dependent upon the receipt of the employer i-connect file The reason why the cases would not be completed within the statutory target is[1]: • Notifications of new starters received from employers within monthly i-connect files where the member's start date was already more than 2 months ago.
Provide transfer details for transfer in.	2 months from date of request.	April May June July	N/A 23 26 23	N/A 15 17 14	N/A 8 9 9	25 65 65 61	Reasons why the cases would not be completed within the statutory target are[2]: • Interfund in - Further information is required from the previous LGPS pension fund & volume of cases in this area. • Transfer in – Further information is required from the member, the previous scheme, or the employer.
Provide details of transfer value for transfer out.	3 months from date of request.	April May June July	N/A 36 32 57	N/A 29 19 33	N/A 7 13 24	46 81 59 58	Reasons why the cases would not be completed within the statutory target are[3]: • Interfund out - Further information is required from the employer prior to finalising the deferred benefit. • Transfer out – Further information is required from the employer prior to finalising the deferred benefit.

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

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

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

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

Function/Task	Indicator	Month	Completed	Within target	Over target	% Within Target	Comments
Provide a CETV quotation for divorce purposes.	Within 3 months of the request (or shorter deadline as specified in a court order).	April May June July	N/A 24 13 13	N/A 19 8 12	N/A 5 5 1	88 79 62 92	For the period 1 April to 31 July, the performance was below target due to the clearance of the backlog relating to McCloud. Performance is expected to improve in the coming months as the McCloud backlog has been completely cleared as of 31 July
Inform members who leave the scheme before retirement age of their rights and options.	As soon as practical and no more than 2 months of leaving.	April May June July	325 346 273 258	223 298 229 231	102 48 44 27	68 86 83 89	The Pension Service is 100% within target for meeting the SLA of 2 months of the member leaving service. Reasons that KPIs may not be in target is due to employer delays including arrears of pay, late notification of leavers, payroll provider changes and processing times.
Inform members who leave the scheme at or after retirement age of the benefits due.	Within 2 months of retirement date where the member **retires before** normal pension age.	April May June July	N/A 14 21 20	N/A 10 11 13	N/A 4 10 7	81 71 52 65	Multiple factors contribute to the member experience for this indicator, this includes the type of information required (e.g. leavers details, certificates, forms) and the party responsible for supplying the information (employer, payroll provider, member). There is also the processing time required for the administrator to issue the award once all the information is received. In **April**, within the 19% outside of target, 100% of the failures were due to employer delays. In **May**, within the 29% outside of target, 75% of the failures were due to employer delays. In **June**, within the 48% outside of target, 50% of the failures were due to employer delays. In **July**, within the 35% outside of target, 86% of the failures were due to employer delays. Analysis will be undertaken, and any persistent trends addressed accordingly. Any information received which does not allow the Pension Service 10 working days to process in line with SLA targets is classified as an employer failure.

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

Function/Task	Indicator	Month	Completed	Within target	Over target	% Within Target	Comments
Inform members who leave the scheme at or after retirement age of the benefits due.	Within 1 month of retirement date where the member retires **on or after normal pension age.**	April May June July	N/A 4 26 16	N/A 12 5 8	N/A 25 21 8	36 25 19 50	Multiple factors contribute to the member experience for this indicator, this includes the type of information required (e.g. leavers details, certificates, forms) and the party responsible for supplying the information (employer, payroll provider, member). There is also the processing time required for the administrator once all the information is received. In **April** within the 64% outside target, 78% was due to delays from the employer. In **May**, within the 75% outside of target, 100% was due to delays from the employer. In **June**, within the 81% outside of target, 62% was due to delays from the employer. In **July**, within the 50% outside of target, 75% was due to delays from the employer. Analysis will be undertaken, and any persistent trends addressed accordingly. Any information received which does not allow the Pension Service 10 working days to process in line with SLA targets is classified as an employer failure.
Calculate and notify dependant(s) of amount of death benefits.	As soon as possible, but in any event no more than 2 months of date or becoming aware of death.						New death processes are currently being created to enable reporting on this KPI. This is not currently possible as a separate case is set up on the member and the dependant.

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

Function/Task	Indicator	Month	Completed	Within target	Over target	% Within Target	Comments
Notify implementation information after receiving a pension sharing order (and no outstanding information)	Within 21 days of the later of, the date of receipt of the pension sharing order or the day on which the order takes affect or the date of receipt of the relevant documents / information.						Where there is no outstanding information, the Service has a period of 4 months to implement the order from the later of: • The day on which the relevant Order or provision comes into effect; or • The day in which the administering authority is in receipt of the relevant "Matrimonial Documents" A letter must be sent within 21 "days" of the later of the above two dates notifying the relevant parties of the implementation deadline.

Appendix 3- Receipt of Employee and Employer Contributions

Month/Year	% of Employers Paid on Time	% of Employers Paid Late	% of Employers that Submitted Schedule on Time	% of Employers that Submitted Schedule Late
July 2023	99.8	0.2	97	3
August 2023	100	0	100	0
September 2023	99.6	0.4	99.8	0.2
October 2023	100	0	99.8	0.2
November 2023	100	0	98.9	1.1
December 2023	99.8	0.2	99.8	0.2
January 2024	99.8	0.2	99.8	0.2
February 2024	99.8	0.2	99.8	0.2
March 2024	99.8	0.2	99.8	0.2
April 2024	99.1	0.9	93.7	6.3
May 2024	99.8	0.2	99.8	0.2
June 2024	100	0	98.4	1.6
Average for period	99.8	0.2	99.8	0.2

Item 4 - Appendix 5 Data Improvement Plan 2024/25 – Cambridgeshire Pension Fund

	Data type	Risk	Action	Number of affected records	Resolution timescale	Resource required
1	**Improve the presence and accuracy of common data** (Basic details about the scheme member such as full names, date of birth, national insurance number, address – email address)	If basic personal details such as date of birth are incorrect benefit entitlement may be calculated incorrectly which may adversely impact the scheme member, scheme employer or Fund. If a correct home address is not held scheme members may also not receive important communications about their benefits. Members using the Pensions Dashboard (when they become available) may not get instant access to their membership data if any of their personal data that they enter does not match with the information held on their pension records. Such incidents will result in additional work in matching the member to their data and may fail turnaround times as directed by the Pensions Dashboard Programme, and reportable to, the Pensions Regulator.	Most of the scheme's common data fails are missing or incorrect addresses so the focus will be on this area. Ensuring that all returned items of post are followed up by using the Fund's Address Tracing service to obtain the correct address for the scheme member. Ensuring all personalised (non-bulk) communications where no address is held on the record for the individual are traced through the Fund's Address Tracing service. *(In the past it has not proved to be cost or time effective to conduct large scale bulk address tracing exercises).*	Approx. 4,700	Ongoing	All Officers within the Pensions Service (BAU activity)
2	**Unprocessed leaver records (backlog)** The Fund has a number of records where a member has	These cases need to be resolved to ensure that members receive timely information on the benefits that they are entitled to.	To reduce the backlog by 1,000 in 2024/25. In years 2025/26 and 2026/27, the backlog will be reduced by 2,500 each year.	6,800 as of 1st August 2024	March 2027	Officers from the Projects Team

	Data type	Risk	Action	Number of affected records	Resolution timescale	Resource required
	left a period of pensionable employment, is not entitled to immediate payment of pension benefits, but is entitled to either a refund of contributions, aggregation with another period of pensionable membership and/or a deferred pension award.	A significant number of these records are in progress for a variety of reasons, including outstanding information required from the employer. Any case which is older than 6 months since the point of notification is classed as a backlog. The number of backlog cases is reported in each business plan update report. Members with unprocessed future benefits are not able to access the Fund's online portal and would not be able to see the value of their benefits on the Pensions Dashboard.				
3	**Unaggregated LGPS membership** Members individual records (at employment level) need to hold details of any previous LGPS membership from either another LGPS employment within this Fund or from other LGPS Funds. This enables accurate assessments of whether the member qualifies for the McCloud underpin protection or the 85-year rule (depending upon their dates of membership).	If members records are not accurately updated with previous LGPS membership their annual benefit statements will not reflect the information needed for the McCloud underpin that is a statutory requirement from 2023/24*. In addition, members whose records do not hold their previous membership may have their retirement date and the value of any early retirement reductions calculated incorrectly, which would also be reflected on annual benefit statements.	Collect and update member records with the following any previous LGPS membership that is not already recorded as either aggregated or unaggregated on the member's record. This information can be obtained by using the National LGPS database and/or writing to the scheme member and verified with the previous Fund.	Unknown – depends on responses from scheme members	May 2025	Officers from the Projects Team

	Data type	Risk	Action	Number of affected records	Resolution timescale	Resource required
4	**Membership details of other previous Public Service Pension Schemes** Member's individual records (at employment level) need to hold details of any previous Public Service Pension Schemes (PSPS) membership to enable accurate assessments of whether the member qualifies for the McCloud underpin protection.	If members records are not accurately updated with previous PSPS membership their annual benefit statements will not reflect the information needed for the McCloud underpin that is a statutory requirement from 2023/24*.	Any previous public service pension scheme membership that the member has not elected to transfer into their LGPS benefits held in this Fund need to be collated from the scheme member and verified with their previous scheme and recorded as unaggregated membership.	Unknown – depends on responses from scheme members	May 2025	Officers from the Projects Team
5	**Additional Voluntary Contributions (AVCs)** It is necessary to ensure that the personal data that the Fund holds matches that of the AVC providers for each member's AVC account so that they can be digitally matched in readiness for Pensions Dashboards.	If the personal details (name, address, date of birth, national insurance number) held by both the AVC provider and the Fund do not match, it will not be possible for the member to view all of their benefits on the Dashboard which will be a breach of the standards set by the Pensions Dashboards Programme and maybe reportable to the Pensions Regulator.	Data will be obtained from the Fund's AVC providers and reviewed to ensure the data held by the providers is correct and advise of any amendments that need to be made.	1,063	December 2024	Officers from the Projects Team
6	**2025 Valuation** As part of the triennial valuation process, the scheme actuary will identify data items that they believe to be errors/inconsistent that need to be investigated to ensure the data is of an appropriate	Poor quality data may result in an inaccurate assessment of the employer's and Fund's assets and liabilities. If the data errors/inconsistencies cannot be resolved the scheme actuary may not be able to issue a	All data queries to be investigated and rectified. A preliminary data review of membership data up to 31 March 2024 will be carried out during September and October 2024. The conclusions of the review will be used to develop a valuation focussed data	Not known until after the data review	October 2024 – July 2025	Officers from the Projects and Systems Team

	Data type	Risk	Action	Number of affected records	Resolution timescale	Resource required
	quality before the actuary perform their assessments that lead to the valuation of assets and liabilities of the scheme employers and the Fund as a whole.	clean data statement for inclusion in the final valuation report.	improvement plan.			

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 5

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Mark Whitby Head of Pensions mark.whitby@westnorthants.gov.uk
Subject:	Pension Fund Annual Business Plan Update report 2024/25
Purpose of the report:	To present the Business Plan Update.
Recommendations:	The Pension Fund Committee is asked to note the Business Plan Update.

Enquiries to:	Mark Whitby Head of Pensions mark.whitby@westnorthants.gov.uk

1. Background

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

2. Executive summary

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

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

2.3 Section 4 of this report provides a progress update for each business plan activity. The table below in Section 3 provides an overview of the RAG status of each activity. All activities are green with the exception of three ambers.

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

2.5 The link to the full Business Plan approved by the Committee in March 2024 is provided in section 8 for full context and reference.

3. RAG status of Business Plan activities.

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

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

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

1) Procure an Integrated Service Provider (ISP) is amber due to delays with the progression of the variation agreement.
2) Whilst progress within year has been positive, processing of undecided leaver records is being held at amber due to the conflicting project priorities within the Service.
3) McCloud remedy rectification has now been rated amber due to complexities with record preparation activities resulting from late issuance of statutory guidance.

4. Business Plan Activities

Procurement of Services

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

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

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

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

4.2 Key milestones:

Key Milestones.	Dates.	On target for completion?
Extend existing contract until 31 March 2025 (subject to s151 Officer approval).	April 2024.	Completed.
Register to access National LGPS Framework.	April 2024.	Completed in May following release of the framework in late April.
Consider framework offerings and other suitable solutions.	June - August- 2024	Completed.
Develop approach for procurement of address and mortality screening services.	September 2024 onwards	On target

4.3 Update: Arrangements for address and mortality screening are now in place until 31 March 2025 via a direct award based on the existing terms. Framework documentation has started to be reviewed with UK and oversees offerings available for both services. Due to the Framework being released in late April the activities have been reprofiled accordingly.

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

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

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

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

4.5 Key milestones:

Key Milestones.	Dates.	On target for completion?
Complete procurement activities	April 2024.	Completed later than initially planned – August 2024.
Receive data quality reports and produce data improvement plan to improve data quality for matching purposes	April 2024.	To be received in October 2024 when the ISP contract becomes live.
Implementation of software	TBC when the Pensions Dashboards Programme confirm final parameters that will enable ISP suppliers to begin implementation.	Implementation of the ISP is to be scheduled for early 2025.

4.6 Update: The revised variation agreement from the supplier has now been received and reviewed by West Northants Council's legal team. As a result of the delay a decision has been made to reference the variation agreement to just the new main software contract that came into force on 1 October, rather than to the current contract which would have needed a novation at 30 September 2024. The variation agreement was sealed in August 2024. Receipt of the data quality reports will be available in October and the implementation of the ISP will be scheduled for early 2025. Further information on the ISP is detailed in the Pensions Dashboard update report to be presented at this meeting.

Investment Consultant Contract

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

4.8 Key milestones:

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

4.9 Update: The Committee received information on various fund investment advice models during a meeting held on 6 September 2024. A paper regarding the investment consultancy contract extension was presented at the September ISC meeting to determine the length of the extension for the Mercer contract and the IC procurement approach to be taken by the Fund. The outcome of that discussion was not available at the time of drafting this report and will be provided verbally at today's meeting.

Core governance activities

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

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

The responses to the consultation took the Pensions Regulator longer than expected to digest and as such the new general code of practice' came into force on 28 March 2024.

4.11 Key milestones:

Key Milestones.	Dates.	On target for completion?
Review compliance of the Fund against the new standards.	Rescheduled to April – June 2024 (April 2024).	Completed for regulatory compliance.
Develop an action plan of changes required.	Rescheduled to July 2024 (May 2024).	Completed for regulatory compliance.
Present the regulatory compliance findings and associated action plan to the Committee and Board.	October 2024.	Completed.
Review compliance of the Fund against TPR expectations and best practice.	October 2024 – March 2025.	On target.
Present TPR expectations/best practice compliance findings and associated action plan to the Committee and Board.	March 2025.	On target.
Present progress against actions.	March 2025 onwards.	On target.

4.12 Update: Regulatory compliance has been assessed and independently reviewed by Hymans Robertson to ensure a non-bias approach to the answers and evidence provided by Officers. A report is being presented at this meeting which contains the regulatory compliance of the Fund against the Code (48 requirements). Due to the number of requirements and level of detail required, TPR expectation and best practice compliance will be presented to the Committee by the end of the financial year (62 TPR expectation requirements/26 best practice requirements).

Implement the best practice recommendations of the good governance review.

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

Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of MHCLG

to amend scheme regulations and publish statutory guidance, others by SAB and other for Funds to implement as best practice.
The standards were due to be issued in early 2024.

4.14 Key milestones:

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

4.15 Update: No update for this reporting period, the standards have not been issued.

Prepare for the implementation of Pension Dashboards

4.16 Activity: Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together.

The connection guidelines which include the staging timescales have now been published and as a result, project plan activities are being undertaken in the following areas in order to connect to the Pension Dashboard infrastructure: Governance, Internal controls, Connection, Record keeping, Budget, Resource, Data.

Note there is a separate Business Plan activity dealing with the ISP procurement.

4.17 Key milestones:

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

4.18 Update: Further connection guidelines were published by the LGA in August 2024 which at the time of writing this report required detailed review and amendments to the project plan. However, the scheme remains on target to connect to the Pension Dashboards infrastructure by the 31 October 2025 as specified in guidance issued by the Department for Work and Pensions. Further information on Pension Dashboards can be found in a separate report to be discussed at this meeting.

Continue to review cyber resilience

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

4.20 Key milestones:

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

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

Implement equality, diversity and inclusion (EDI) best practices

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

4.23 Key milestones:

Key Milestones	Dates	On target for completion?
Present action plan to Local Pension Board.	April 2024.	Completed.
Present action plan to Pension Committee.	June 2024.	Completed.
Further milestones subject to action plan approval.	June 2024	The action plan was approved by the Pensions Committee on 4 June 2024
Progress actions within the plan.	June 2024 – March 2025	On target.
Present progress against the action plan to the Pension Committee and Local Pension Board.	March/April 2025	On target.

4.24 Update: The EDI action plan was approved by the Pension Committee on 4 June 2024 following a Local Pension Board review in April 2024. Work is now progressing against the plan and a training session for Committee and Board members was held on 13 August 2024, with a recording circulated shortly after. Officers are currently looking to agree an EDI definition and formulate a Fund policy for the next stage of the plan.

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

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

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

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

4.26 Key milestones:

Key Milestone	Dates	On target for completion?
Register to access national LGPS Frameworks.	May 2024.	The Framework was released at the end of July 2024.
Conduct soft market testing with the providers on the Framework.	March 2025	On target.
Undertake AVC framework review and schedule procurement activities if appropriate.	2025-26	On target.

4.27 Update: The AVC Services Framework was released at the end of July, however, due to the significant amount of work required on other projects and the interaction required between AVC providers and scheme administrators to supply information to the Pensions Dashboard, Officers feel it appropriate to delay the formal AVC Framework review. The current AVC providers were deemed adequate from the independent review conducted in 2023 by Aon. The intention for 2024/25 is to conduct preliminary soft market testing with the providers on the Framework.

Scheme member and data projects

Complete the McCloud Remedy Rectification

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

Following the implementation of the age discrimination remedy on 1st October 2023 the records of scheme members within scope of the McCloud ruling must be reviewed to determine if any rectification of benefits is required in line with the remedy and national guidance that was issued by MHCLG in June 2024.

4.29 Key milestones:

Key Milestones	Dates	On target for completion?
Milestones are currently being updated following receipt of statutory guidance from MHCLG.	TBC	The late issuance of statutory guidance means that progress has been delayed.

4.30 Update: The statutory guidance from MHCLG was finally released in June 2024 resulting in the project plan requiring further updating to take into account additional data required on members which may bring them into scope for the protections of the remedy and the order of priorities for remedial work.

Processing of undecided leaver records

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

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

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

4.32 Key milestones:

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

4.33 Update: As at the end of July 2024, the total number of records within the backlog stood at 6,800 having decreased from a total of 7,500 at the end of March 2024. Future Business Plan update reports will provide details of the progress made to reduce this number. Whist on target, this activity is Amber due to the conflicting project priorities over the period.

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

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

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

4.35 Key milestones:

Key Milestones	Dates	On target for completion?
Monitor development progress of Engage to provide a satisfactory user experience for members in both Funds.	August 2024 – March 2025	Revised activity (see update).
Make decision on if/when to begin implementation.	April 2025	

4.36 Update: As previously, reported, Engage does not provide a satisfactory user experience where a scheme member has benefits in both the Cambridgeshire and the Northamptonshire Pension Funds (approximately 1,000 members). This activity has now been reframed to continue to review at regular intervals whether Heywood have undertaken the necessary developments to meet these requirements with a further decision point about whether to proceed in the first quarter of 2025/26.

Investment related activities

Continue development of the ACCESS asset pool.

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

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

4.38 Key milestones:

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

4.39 Update: An ACCESS update is provided in a separate agenda item at this meeting.

Continue activities within the Fund's Climate Action Plan

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

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

4.41 Key milestones:

Key Milestones	Dates	On target for completion?
All activities are listed within the Climate Action Plan – see Appendix 3.	During 2024/25.	On target

4.42 Updates: In May 2024 ISC agreed a proposal to incorporate an additional metrics, Science-Based Targets Initiative (SBTi) alignment into the June 2024 Analytics for Climate Transitions (ACT) report. The scope of the climate action plan is currently being extended beyond listed equities to encompass multi-asset credit in future analyses, thereby increasing coverage to 57.5%.

Communications

Continue with the development of the website

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

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

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

4.44 Key milestones:

Key Milestones	Dates	On target for completion?
Webpages to be drafted and approved for publication.	April to June 2024	Rescheduled to end of September
Communicate planned website update to stakeholders.	May to July 2024	Completed
Launch new website.	July 2024	Rescheduled to October to December 2024
Review satisfaction with new website.	December 2024	Rescheduled to April 2025

4.45 Update: Since the last update, resource problems outside the control of the Pensions Service have caused further delay to the project and the infrastructure was not ready when expected from the external developers due to sickness and other absence within the organisation. A new project lead was assigned to the project by the WNC digital team and on reviewing the outstanding work, highlighted that the original target launch date was unrealistic. With the amount of work required once the infrastructure is migrated to WNC servers, including initial infrastructure testing, content upload, completion of accessibility requirements and accessibility testing of the website, we have now set a target date of end of September to have all the content uploaded to the website ready for final technical and accessibility testing with a view to launching the website by the end of the calendar year.

Prepare for 2025 Fund Valuation

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

4.47 Key milestones:

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

4.48 Update: An outline project plan has been agreed with the Fund Actuary including dates for key activities. Key decisions needed for policy development have also been identified. Data has also been provided to the Fund Actuary for large local authority employers to facilitate early modelling of contribution strategies for discussion and agreement with those employers to facilitate the completion of their medium-term financial plans.

Review suitability of having multiple investment strategies

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

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

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

4.50 Key milestones:

Key Milestones.	Dates.	On target for completion?
Actuary to carry out initial assessment to determine if conditions have changed sufficiently to warrant further impact modelling.	April 2024	Completed.
Officers to consider results of initial assessment.	May to June 2024	Completed
Officers to make recommendation to Committee.	July 2024	Completed
If recommended and approved Fund officers to discuss scope of impact modelling and options to be considered.	August to September 2024	Completed
Actuary to carry out impact modelling.	October to December 2024	On Target
Officers to consider results of impact modelling.	January 2024	On Target
Officers to present results and make recommendation to Committee for approval	March 2025	On Target

4.51 Update: Modelling of the potential impacts of introducing multiple investment strategies was agreed by the Committee at its July meeting. The scope of the additional modelling has been discussed and agreed with the actuary who is now completing that work and the results will be discussed with Officers when completed.

5. Relevant Pension Fund objectives

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

6. Risk Management

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

Risk.	Residual risk rating.
The operations of the Pension Fund and that of its suppliers are interrupted as a result of a cyber-attack.	Amber
Investment decisions and portfolio management may not achieve the return required or be performed in accordance with instructions provided	Green
Unable to deliver pension services due to inadequate recruitment/retention processes and inadequate skills and knowledge to undertake the role effectively.	Amber
Information may not be provided to stakeholders as required.	Amber
As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund’s investments.	Amber
Fund assets are not sufficient to meet obligations and liabilities.	Amber
Failure to respond to changes in economic conditions.	Amber
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green
The ACCESS asset pool does not have the sub-fund choices available to enable the Fund to fulfil its strategic and tactical asset allocation requirements in a timely manner.	Amber
Failure to administer the scheme in line with regulations and guidance	Green
The Fund does not meet the proposed timeframe to pool assets, by March 2025, and/or is unable to adequately “comply or explain” why assets remain outside the pool.	Green
The Pension Fund and its members may become a target for fraudsters and criminals.	Amber
Risk of fraud and error.	Green
The Pension Fund fails to comply with legal duties in connection with Pension Dashboards	Green
Unable to deliver pension services due to high levels of workplace sickness absence	Amber
Pension Fund systems and data may not be secure and appropriately maintained, whether in situ or in transit.	Amber

7. Implications (including financial implications)

7.1 Resources and financial

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

7.2 Legal Implications

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

7.3 Consultation with Key Advisers

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

7.4 Communication Implications

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

7.5 Alternative Options Considered

7.5.1 Not applicable.

8. Background Papers.

8.1 Council and committee meetings - Cambridgeshire County Council > Meetings (cmis.uk.com)

9. Appendices

9.1 Appendix 1 – Variances against the forecast of investments and administration expenses based on original setting of assumptions.
9.2 EXEMPT Appendix 2 – Cyber activity action plan
9.3 Appendix 3 – Cambridgeshire Pension Fund Climate Action Plan

10. Accessibility

10.1 The information contained in this report and the public appendices is available in an accessible version on request from mark.whitby@westnorthants.gov.uk

Appendix 1 – Variances against the forecast of investments and administration expenses based on original setting of assumptions.
The following tables provide estimates of the Fund account, investment and administration income and expenditure for the next three years.

	2024/25 Estimate	**2024/25 Forecast**	**Variance**	**Comments**
	£000	**£000**	**£000**	
Contributions[1]	155,000	155,000	-	
Transfers in from other pension funds[2]	18,000	18,000	-	
TOTAL INCOME	**173,000**	**173,000**	**-**	
Benefits payable[3]	(149,000)	(149,000)	-	
Payments to and on account of leavers[2]	(13,000)	(13,000)	-	
TOTAL PAYMENTS	**(162,000)**	**(162,000)**	**-**	
Net additions/(withdrawals) from dealings with members	**11,000**	**11,000**	**-**	
Management expenses (Invoiced)	(5,903)	(5,885)	18	See below
Management expenses (Non-invoiced) [4]	(21,300)	(22,000)	(700)	Calculated using fees from prior year plus actuarial growth assumption on AUM at June 24 to March 25
TOTAL MANAGEMENT EXPENSES	**(27,203)**	**(27,885)**	**(682)**	
TOTAL INCOME LESS EXPENDITURE	**(16,203)**	**(16,885)**	**(682)**	
Investment income[5]	48,000	75,500	27,500	Actual income received to Q1 plus three estimated quarters
Taxes on income	-	(52)	(52)	Actual taxes on income to June 24
Profit and (losses) on disposal of investments and changes in the market value of investments[6]	219,000	209,700	(9,300)	Actual Q1 return followed by actuarial long term growth assumption
NET RETURN ON INVESTMENTS	**267,000**	**285,148**	**18,148**	
Net increase/(decrease) in net assets available for benefits during the year	**250,797**	**268,263**	**17,466**	

Management Expenses

	2024/25 Estimate	2024/25 Forecast	Variance	Comments
	£000	**£000**	**£000**	
Total administration expenses	(3,546)	(3,515)	31	See Below
Total governance expenses	(1,072)	(1,085)	(13)	Consultancy costs to July 24 are higher than expected
Total investment expenses	(1,285)	(1,285)	-	
TOTAL MANAGEMENT EXPENSES	**(5,903)**	**(5,885)**	**18**	

Administration Expenses

	2024/25 Estimate	2024/25 Forecast	Variance	Comments
	£000	**£000**	**£000**	
Staff related	(2,458)	(2,440)	18	
Altair administration and payroll system	(413)	(413)	-	
Data Assurance	(22)	(24)	(2)	
Communications	(87)	(90)	(3)	
Other non pay and income	15	33	18	Interest received to July is higher than expected
County Council overhead recovery	(581)	(581)	-	
TOTAL ADMINISTRATION EXPENSES	**(3,546)**	**(3,515)**	**31**	

[1]Contributions have been calculated using the Employer contribution rate and salary increase assumptions of 3.2% set by the actuary at the 2022 Valuation.

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

[3] 2024/25 benefits payable have been calculated using average membership increases, estimated PI of 6.7% and pension increases assumptions of 2.7% set by the actuary in subsequent years.

[4] Management expenses (non-invoiced) have been calculated using investment managers actual fees plus the actuarial assumption of investment growth +4.9% per annum.

[5] Investment income have been calculated by using an average of 3 years income received and applying the actuarial assumption of investment growth +4.9% per annum.

[6] Return on Investments have been calculated by applying the actuarial assumption of investment growth +4.9% per annum.

Cambridgeshire Pension Fund - Climate Action Plan

Calendar Year

2024

Quarter 1 2024

ISC consider proposals for including asset classes beyond listed equity in climate reporting and target setting	✓
ISC consider incorporating an additional metric, SBTi (Science Based Targets Initiative) alignment, into the Fund's climate reporting, effective 30 June 2024, along with Transition Capacity Analysis	✓
ISC receive report on availability of data and approach on alternative assets	✓
ISC consider proposals for UK impact/ natural capital (Timberland/ Social and affordable housing)	✓
Review progress against targets and appropriateness of metrics	✓
Consider draft UK Stewardship Report ahead of submission to FRC	✓
ISC consider feasibility of including Scope 3 within emissions reduction reporting and targets	✓

Quarter 2 2024

Submit approved UK Stewardship Report to FRC	✓

Quarter 3 2024

Use insights and recommendations to shape discussions and support climate change reporting (TCFD) - awaiting outcomes of consultation	
Re-submit UK Stewardship Report to FRC	
Reconsider including Scope 3 data in Fund's climate-related targets after completing 30 June 2024 assessment, if there is evidence that data quality is sufficiently robust	

Quarter 4 2024

ISC consider proposals for UK impact/ natural capital (Timberland/ Social and affordable housing)	

Follow up engagement with private asset managers to fill gaps in carbon data availability and quality while challenging reporting metrics to understand what managers are doing to improve net zero alignment	
Analysis of climate metrics as at 30 June 2024	
Review of interim decarbonisation targets and in-scope assets	
Consider setting more granular targets across: - Sustainable/Climate solutions - Transition alignment - Stewardship	
ISC consider proposals for UK impact/ natural capital (Private equity/property)	
Submit approved UK Stewardship Report to FRC	

2025

Quarter 1 2025

Consider potential connections to biodiversity/natural capital such as enhancing reporting to cover biodiversity and nature footprinting in relation to Timberland	
Continue liaising with active managers to implement carbon reduction measures and increase the sustainability of the portfolios they manage	

Prior Calendar Years

2022

Quarter 1 2022

Agree decarbonisation pathway and targets that align the beliefs and ambitions of the Investment Sub Committee (ISC). The ISC agreed target reductions in absolute carbon emissions of the Fund's listed equity holdings of at least: • 23% from June 2021 baseline by 2024 • 57% from June 2021 baseline by 2030	✓
Communicate agreed targets and aspirations to investment managers	✓
Instruct advisers to investigate high level approaches to climate aware passive equity investing	✓
Publish Climate Action Plan	✓

Quarter 2/3 2022

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

Quarter 3/4 2022

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

2023

Quarter 1 2023

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

Quarter 2 2023

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

Quarter 3 2023

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

Quarter 4 2023

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

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 6

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk
Subject:	Governance and Compliance Report
Purpose of the report:	To provide the Pension Fund Committee with information on: 1) LGPS England and Wales (section 3) 2) McCloud (section 4) 3) Pension Dashboards (section 5) 4) Scheme Advisory Board (section 6) 5) The Pensions Regulator (section 7) 6) The Pensions Ombudsman (section 8) 7) Cambridgeshire Pension Fund Representation (section 9) 8) Skills and knowledge opportunities (section 10) The report also provides details of immaterial amendments made to policies or strategies as a result of Officer reviews (section 11).
Recommendations:	The Pension Fund Committee are asked to note the Governance and Compliance Report.
Enquiries to:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk

1. Background

1.1 This report provides an update on developments and issues that impact the LGPS that members of the Pension Committee need to be aware of to fulfil their responsibilities to the Fund's key stakeholders.

2. Executive summary

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

- LGPS England and Wales (section 3.1-3.8)
- McCloud (section 4.1-4.8)
- Pension Dashboards (section 5.1-5.11)
- Scheme Advisory Board (6.1-6.24)
- The Pensions Regulator (section 7.1-7.4)
- The Pensions Ombudsman (section 8.1-8.8)
- Cambridgeshire Pension Fund Representation (section 9.1-9.2)
- Skills and knowledge opportunities (section 10.1-10.4)

2.2 The report also provides details of immaterial amendments made to policies or strategies as a result of Officer reviews (section 11).

3. LGPS England and Wales

DLUHC reverts to MHCLG

3.1 Following the Labour Party's victory at the 2024 General Election, Angela Rayner was appointed Deputy Prime Minister and Secretary of State for Levelling Up, Housing and Communities on 5 July 2024. The department reverted to its former name, the Ministry of Housing, Communities, and Local Government (MHCLG), on 8 July 2024.

New Minister for the LGPS

3.2 On 6 July 2024, Jim McMahon MP was appointed Minister of State at MHCLG. The role includes ministerial responsibility for local government, including the LGPS.

Government launches pensions review

3.3 On 20 July 2024, the Government announced a pension review as part of its mission to 'boost growth and make every part of Britain better off'. The review will be jointly led by HM Treasury and the Department for Work and Pensions.

3.4 Working closely with Jim McMahon, the review will look at how to 'unlock the investment potential of the £360 billion LGPS' and 'tackle the £2 billion that is being spent on fees'. As part of this, the Government will consider legislating to mandate pooling if insufficient progress is made by March 2025. The review will also consider the benefits of further consolidation to cut down on 'fragmentation and waste' in the LGPS.

3.5 A roundtable discussion on pensions was hosted by the Chancellor at 11 Downing Street on 22 July 2024.

3.6 The review can be found here.

Academy LGPS guidance updated

3.7 The Education and Skills Funding Agency published updated guidance on academies and LGPS liabilities. The updated guidance now includes a definition of ‘pass-through arrangements.’
The guidance is aimed at academy trusts, administering authorities and actuaries. It covers the LGPS academy guarantee provided by the Department for Education.

3.8 The updated guidance can be found here.

4. McCloud

McCloud protection

4.1 LGA received a number of queries about which pension accounts qualify for McCloud protection, these queries are connected to the section of the McCloud administrator guide that covers disqualifying gaps.

4.2 A disqualifying gap is a period of more than five years when a member was not in pensionable service in a McCloud remedy scheme. A McCloud remedy scheme is a public service pension scheme in England, Wales, Scotland or Northern Ireland that covers:

- civil servants
- teachers
- the judiciary
- local government workers
- NHS staff
- firefighters
- police officers
- armed forces personnel

4.3 A gap that ended before 31 March 2012 is not disqualifying and some example scenarios have been provided by LGA to clarify the position.

Public service pensions remedy newsletter

4.4 HMRC published the latest public service pensions remedy newsletter on 14 June 2024. The newsletter covers:

- the interim process for members while the ‘Calculate your public service pension adjustment service’ is unavailable
- planned improvements to the ‘Calculate your public service pension adjustment service’ and proposed release dates. HMRC plans to re-open the service with some improvements in place in mid-July 2024, with further updates in September 2024.

4.5 The newsletter can be found here.

Annual benefit statements – reporting breaches

4.6 MHCLG recently carried out a limited technical consultation on potential changes to the LGPS regulations concerning underpin information and annual benefit statements.
The consultation proposed removing the requirement to include McCloud information in the 2023/24 statements and allowing a discretion not to include the information in 2024/25

statements for certain members. The consultation closed on 9 July 2024.

4.7 It is understood that MHCLG plans to make regulations before the 31 August 2024 deadline to remove the requirement to include McCloud information in the 2023/24 statements.

4.8 If the Scheme regulations concerning McCloud and annual benefit statements are not changed before 31 August 2024, the Pensions Regulator (TPR) has confirmed it expects all administering authorities to report not including McCloud information in the statements as a material breach of the law.

5. Pension Dashboards

Data standards version 1.2

5.1 The data standards cover the data requirements for ‘finding’ and ‘viewing’ pensions information and are mandatory for providers and schemes connecting to the ecosystem. They are there to build a common set of message handling tools to receive and reply with data.

5.2 It is understood that most administering authorities will connect to the ecosystem by an already-connected third party - an integrated service provider (ISP). The ISP will use their processes to meet the data standards. However, as the standards apply to administering authorities, they remain responsible for compliance, even if implementation is delegated to an ISP.

5.3 Further guidance on connection and the technical, reporting and design standards will be published once tested and validated by the volunteer participants.

Deferred connection guidance updated

5.4 The Department for Work and Pensions updated the guidance on deferring connection. Updates are made to section 3.4, giving further advice on how to apply to defer connection.

5.5 The updated guidance can be found here.

PASA dashboards working group – Spring 2024 update

5.6 The Pensions Administration Standards Association (PASA) published an update from its dashboards working group. The update outlines the ongoing development of guidance and resources related to:
- additional voluntary contributions
- test case matrix
- matching
- administration readiness

5.7 The update can be found here.

TPR nudge campaign

5.8 TPR has recommence their programme of nudge communications to schemes. The ‘key dashboards contact,’ can expect to receive a series of five emails in the run up to the ‘connect by’ date of 31 October 2025. For public service pension schemes the emails commenced in July 2024.

5.9 The nudge emails will contain key messages about where TPR expects administering authorities to be in the dashboard's implementation process.

5.10 In November 2024, authorities can expect to receive their first dashboards readiness survey from TPR. The survey covers nine key areas including:
• awareness of duties
• preparation for connection
• data preparation
• compliance and
• engagement.

5.11 All responses will be kept anonymous, and participation is strongly advised to enable TPR to create a picture of the dashboards implementation progress across the public sector.

6. Scheme Advisory Board (SAB)

Annual report guidance

6.1 The SAB intends to briefly review the current version of the annual report guidance towards the end of 2024. The review will obtain feedback from administering authorities on their experience of implementing the guidance.

6.2 The current version of the guidance was published in March 2024.

Publication of the Scheme Annual Report

6.3 The SAB has published its eleventh Scheme Annual Report. The aim of the Scheme Annual Report is to provide a single source of information about the status 11 of the LGPS for its members, employers, and other stakeholders. This report combines information supplied in the England and Wales LGPS fund annual reports, as of 31 March 2023 for the reporting year 2022/23.

6.4 The Annual Report can be found here.

New LGPS informer document launched

6.5 The SAB and the Institute of Chartered Accountants in England and Wales (ICAEW) have published an informer document to explain the timeline and information flow for the triennial valuation and accounting/audit purposes.

6.6 The document is intended to be a practical document that explains:
• how the LGPS works in practice
• key information flows between employing bodies, pension funds and actuaries
• the content and purpose of annual accounting reports and triennial valuations
• key accounting requirements for employing bodies
• the role of external auditors.

6.7 The primary audience for this informer is Scheme employers and their external auditors. Pension fund officers and actuaries will also find the document useful.
The informer document can be found here.

SAB statement on Minister's letter to LGPS funds on efficiencies

6.8 Administering authorities in England were encouraged to reply to the Minister's letter dated 15 May 2024 by responding directly to officials in the MHCLG pensions team, with the intention that the responses would be used to brief new ministers following the general election.

6.9 The Ministers letter can be found here.

Funding strategy statement (FSS) guidance

6.10 The current FSS guidance was last updated in 2016. The Board has established a working group and has begun a detailed review of the guidance. As part of this, the group is currently drafting revised content with the ambition to:
• deal more fully with the setting up of academies on conversion
• cover the 'new' employer flexibilities and deferred debt arrangements
• develop guidance on consulting with employers and other relevant parties
• address recent employer representations around asset strategies and 'partial terminations'
• give pointers on policies needed for considering exit debts and credits.

6.11 Key aims are to make the guidance shorter, sharper and more accessible for all stakeholders – such as scheme employers. The ambition is to get a revised draft approved through SAB, the Chartered Institute of Public Finance and Accountancy (CIPFA) and MHCLG channels before the end of the calendar year.

Gender pensions gap - letter to the Chief Secretary to the Treasury

6.12 The Board has sent a letter about the gender pensions gap to the Chief Secretary to the Treasury at the time, Laura Trott MP (replaced by Darren Jones MP). The letter suggests that the Government takes a consistent and active approach to the gender pensions gap across public sector pension schemes.
Cllr Roger Phillips, the Board Chair, argued that a gender pensions gap analysis, like that commissioned by the Board, would give a dynamic picture of how scheme members' salaries change over time and illustrates the different trajectories of men and women's careers. As such it would add context and richness to the statutory gender pay analysis that public sector employers already undertake.

6.13 An update on the work of the Gender Pensions Gap Working Group was provided to the Cost Management, Benefit Design and Administration Committee in July.

6.14 A copy of the letter can be found here.

Good Governance

6.15 The Board had hoped that the long-awaited consultation on MHCLG response to the good governance recommendations would be launched in early summer 2024. The consultation was expected to include draft amendments to regulations and guidance to implement most of the recommendations made. The main regulations that were to be changed were regulations 55 (governance compliance statements) and 59 (pension administration strategy). This was delayed due to the General Election.

6.16 The previous Local Government Minister had allowed budget in year 2024/25 for the SAB to take on another member of staff, with initial thinking being that this person will scope out the good governance recommendation to establish a peer support offer for LGPS funds.

6.17 The SAB will ensure that the implementation of the Good Governance recommendations is raised as a priority with the Minister.

The Pensions Regulator's (TPR) General Code

6.18 The implementation of the Good Governance recommendations should help resolve some of the ambiguity in the General Code ('the Code') for the LGPS but that administering authorities should not delay reviewing their own compliance, while awaiting the consultation. For example, there is overlap in the Good Governance recommendations with the requirements in the following TPR Code modules:

- the governing body
- funding and investment
- administration
- communications and disclosure
- reporting to TPR.

6.19 Further delays to the Good Governance consultation reinforce the view that authorities should be planning and reviewing their own compliance with the Code. The Board is aware that many authorities have started to plan and report to their governance bodies on how they intend to review their own compliance against the Code, and some have completed their compliance review. All authorities will have different starting positions and will need differing action plans and timescales to be able to demonstrate full compliance. There is no regulatory timescale to comply within the Code but having a clear action plan setting out how and when the administering authority is planning to address Code compliance has been strongly encouraged by TPR.

Code of Transparency data system early market engagement exercise

6.20 To support compliance with the LGPS Code of Transparency, the SAB is now researching the longer-term future of the data compliance system that supports it. As part of this work, the Secretariat is launching an early market engagement exercise to explore the possible future iterations of the data system and estimated costs.

6.21 The code of transparency compliance system allows:

- the SAB to have oversight of compliance with the Code of Transparency
- funds to run a suite of reports
- funds to compare their costs with funds of a similar size.

6.22 The early market engagement exercise will be launching soon. Once it is live, the details of the areas being explored will be available on the SAB website.

SAB view of ESFA as Guarantor of Academy Schools

6.23 The Education and Skills Funding Agency (ESFA) is the ultimate guarantor of academy schools. In the light of this, the SAB has been asked to confirm its view that the ESFA is a body whose rights and/or liabilities under the Scheme may be the subject of decisions made by the administering authority. This is most likely to arise in connection with decisions relating to the exit of an academy school, eg whether exit payments or credits are due under regulation 64 of the LGPS Regulations 2013.

6.24 As the ESFA is a body whose rights and/or liabilities under the Scheme may be the subject of decisions made by the administering authority, ESFA should be kept informed and is entitled to make representations as to its interests.

7. The Pensions Regulator (TPR)

Corporate plan for 2024 to 2027

7.1 The Pensions Regulator has published its new Corporate Plan 2024 to 2027. The plan sets out TPR's direction for the next three years, explaining how it will protect savers' money, help to enhance the pensions system and support innovation in the interests of savers.

7.2 The corporate plan can be found here.

Speech at Professional Pensions Live

7.3 Nausicaa Delfas, Chief Executive at TPR, delivered a keynote speech at Professional Pensions Live. Nausicaa covered the following topics:
• TPR's corporate plan
• driving value for money
• securing the future for defined benefit schemes
• raising standards across all scheme types
• data quality
• TPR's future approach to regulation.

7.4 The full transcript of the speech can be found here.

8. The Pensions Ombudsman (TPO)

Operating model review blog

8.1 Robert Loughlin, Chief Operating Officer at the Pensions Ombudsman (TPO), published a blog on TPO's operating model review. In this blog, Robert primarily discusses the operating model review, which aims to improve TPO's efficiency and reduce waiting times.

8.2 Three areas of focus for improvement are mentioned:
• resolution team changes
• expedited determinations
• thresholds for accepting complaints.

8.3 TPO plans to deliver the full programme of changes over the next three years. Additionally, they have set a target of achieving an improved position over the next 12 to 18 months.

8.4 The blog can be found here.

8.5 Dominic Harris released a second blog on the operating model on:
• how the TPO operating model review will benefit the industry and members
• changes that mean a member must exhaust a scheme's formal complaints process before bringing a case to TPO.

8.6 The blog can be found here.

9. Cambridgeshire Pension Fund representation

Local Pension Board

9.1 A recruitment exercise has been undertaken to fill the scheme member representative position on the Local Pension Board. The process was approved by the Chair of the Board and the advert and information pack were fully redesigned based on the Pensions Regulator EDI templates.

9.2 Interviews were held on 20 August 2024 and subsequently Dawn Graham has been appointed to the position. Dawn's first meeting will be on 1 November 2024.

10. Skills and knowledge opportunities

10.1 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 Board to maintain the necessary skills and knowledge to undertake their role effectively.

10.2 In addition, in order to facilitate the acquisition of skills and knowledge for members of the Pension Board, appendix 1 lists the main events that are deemed useful and appropriate.

10.3 If members of the Pension 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.

10.4 The Training Strategy was approved at the July 2023 meeting of the Pension Committee and members had until 20 July 2024 to complete the mandatory training modules. Please find the Training Strategy here. Reminder emails were sent to members that had not competed the training by the deadline and subsequent emails were sent to the Chair of the Committee and Board to highlight non-compliance. Any training not undertaken has been reflected in the Fund's Risk Register.

11. Cambridgeshire Pension Fund Policy/Strategy updates

11.1 In March 2023 the Pension Fund Committee agreed for all policies and strategies to be reviewed by the Committee on a three-year cycle (unless stated otherwise) with Officer reviews to be conducted on an annual basis or as deemed necessary.

11.2 For the period the following non-material amendments were applied:

Policy/Strategy	Review reason	Amendments made
Cash Management Strategy	Annual review due	Completed. No amendments were identified as a result of the review.
Governance Policy and Compliance Statement	Annual review due	Completed. The document was previously fully updated in July 2023 and the only amendment was the inclusion of a review table for monitoring and oversight purposes.

Funding Strategy Statement	Annual review due	Completed. No amendments were identified as a result of the review. The statement will be comprehensively reviewed in line with the SAB guidance review as detailed in section 6.37-6.38.
Data Improvement Plan	Committee review due	Completed. Being presented as part of the Administration Report at this meeting.

11.3 The below table provides an update of upcoming reviews:

Policy/Strategy	Review reason	Comments/amendments made
Admission Bodies Scheme Employers and Bulk Transfer Policy.	Committee review due	The Administration Strategy was approved by the Committee on 6 June 2024 and amendments were made following consultation with employers. This Policy will now therefore be presented to the Board in January 25 and to the Committee in March 25 as there is an interdependency.
Cessations Policy	Annual officer review due	The Administration Strategy was approved by the Committee on 6 June 2024 and amendments were made following consultation with employers. This Policy will be reviewed and presented at the December Committee 24 and January 25 Board meetings as there is an interdependency.
Anti-Fraud and Corruption Policy	Annual officer review due	This review has been delayed to fully look into issues that have been highlighted through business-as-usual activities. These issues include verification of members who have no fixed abode, unclaimed pensions and verification of documentation. The Policy will be reviewed and reported at the January 25 Board meeting and March 25 Committee meeting.
Risk Strategy	Annual officer review due	A high-level review has been undertaken and has highlighted that a full review needs to be undertaken with Fund's governance advisors to ensure the new risk section of the Code of Practice have been fully considered and incorporated. A full Committee review is due December 2025, but we will be bringing this forward to the end of 2024 due to the new Code of Practice and to reflect our evolved Fund approach (the Strategy was first put in place 2016). The aim is for the Board to have pre scrutiny on this Policy.

Training Strategy	Annual officer review due	The Training Strategy review is dependent upon feedback being received on the Online Training platform to help shape our refresher training approach. Due to the summer period and conflicting priorities the survey was rescheduled to later in the year than initially anticipated. The policy is now due to be present to the Board in January 25 and the Committee in March 25.
Communication Strategy	Committee review due	Due to be presented to the Committee in December 2024.
Employer Contribution rate policy	Annual officer review due	Due to be presented to the Committee in December 2024.

12. Relevant Pension Fund objectives

12.1 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.

12.2 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.

12.3 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.

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

13. Implications (including financial implications)

13.1 Resources and financial

13.1.1 There are no resources or financial implications arising from the report.

13.2 Legal

13.2.1 There are no legal implications directly arising from this "for information" report. Any legal implications arising from the issues discussed will be identified and highlighted at the appropriate time.

13.3 Risk management

13.3.1 The Constitution Section 4.8 para 1.3 states that the Pension Committee has "Authority to develop and maintain a skills and knowledge framework for all Pension Committee and Investment sub-committee members and for all officers of the Fund including;

(i) Determining the Fund's knowledge and skills framework;
(ii) Identifying training requirements;
(iii) Developing training plans; and

(iv) Monitoring attendance at training events.

13.3.2 This report ensures on-going compliance with the above and that the Pension Committee is up to date with:

- New or amending legislation affecting the LGPS;
- Relevant activities of the LGPS Scheme Advisory Board and the Pensions Regulator that concern the governance of the (LGPS) on a national and local basis; and
- Skills and knowledge opportunities.

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

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

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

13.4 Consultation

13.4.1 The Fund is kept updated with developments and consultations via various sources such as the Local Government Association, The Pensions Regulator and Scheme Advisory Board. No consultation was required for this report.

14. Background papers

14.1 None.

15. Appendices

15.1 Appendix 1 - Cambridgeshire Pension Fund Training Plan

Appendix 1

Cambridgeshire
Pension Fund

Training plan 2024

Date	Training	Method of delivery	Delivered by	Target audience	Additional Information
JANUARY	Governance Conference	Conference – hybrid	Local Government Association (LGA)	Committee, Board & Officer	18-19 January 2024 (online/York)
FEBRUARY	Equality, Diversity and Inclusion (EDI)	TBC	Aon	Committee, Board & Officers	TBC
MARCH	LGC Investment Seminar	Conference	Local Government Chronicle (LGC)	Committee, Board & Officers	14-15 March 2024 [LGC Investment Seminar 2024 (lgcplus.com)]
APRIL					
MAY					
JUNE	Local Authority Conference 2024	Conference – face to face	Pension and Lifetime Savings Association (PLSA)	Committee, Board & Officer	11-13 June 2024 [Local Authority Conference | PLSA]
	ACCESS Investor Day		Waystone		26 June (1 Wimpole Street, London)
JULY	Equality, Diversity and Inclusion (EDI)	TBC	TBC	Committee, Board & Officers	TBC
	LAPFF July 2024 Mid-Year Conference	Conference – face to face	Local Authority Pension Fund Forum	Officers	10 July 2024 Church House, Westminster, SW1
AUGUST					

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Appendix 1

Date	Training	Method of delivery	Delivered by	Target audience	Additional Information
SEPTEMBER	Investment and Pensions Summit	TBC	Local Government Chronicle (LGC)	Committee, Board & Officer	12-13 September at the Eastside Rooms, Birmingham
OCTOBER					
NOVEMBER	ACCESS Investor Day	TBC	Waystone	Committee & Officer	TBC
DECEMBER	Annual Conference 2024	TBC	Local Authority Pension Fund Forum (LAPFF)	Committee, Board & Officer	TBC

CAMBRIDGESHIRE PENSION FUND

Agenda Item No: 7

To:	Pension Fund Committee
Meeting date:	02 October 2024
Report by:	Head of Pensions
Subject:	Employer Admissions and Cessations Report

Purpose of the report:

1. To report the admission of eight employers to the Cambridgeshire Pension Fund across nine admission agreements.

2. To notify the Committee of the cessation of nine admission agreements in relation to eight employers.

3. To update on previously reported cessations.

Recommendations:

That the Pension Fund Committee:

1. Notes the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements:

- Nexgen Group Limited
- Knightsbridge Commercial Cleaning Services Limited
- Lunchtime Company Limited
- Total Clean Services Limited
- Aspens Services Limited x 2
- ABM Catering Limited
- VHS Cleaning Limited
- GSO t/a Reef Cleaning Solutions Limited

2. Notes the cessation of admission agreements in relation to the following employers:

- Collections Trust
- Pabulum Limited
- Goshen Multi-Services Limited
- Nexgen Services Limited
- Taylor Shaw Limited
- Lunchtime Company Limited
- Aspens-Services Limited x 2
- Serco Limited

- Notes the update on the previously reported cessation of an admission agreement in relation to Churchill Contract Services.

Enquiries to: Cory Blose
Employer Services Manager
Cory.Blose@westnorthants.gov.uk

1. Background

1.1 The Local Government Pension Scheme Regulations 2013 (as amended) (the Regulations) provide for the participation of a number of different types of body in the Local Government Pension Scheme; scheduled bodies, designating bodies, and admission bodies.

1.2 When an employer ceases participation in the Fund, the administering authority is required, under regulation 64 of the Local Government Pension Scheme Regulations 2013 (the Regulations), to obtain an actuarial valuation, as at the exit date, of the liabilities and to obtain a revised rates and adjustments certificate showing the exit payment due from the exiting employer or the excess of assets in the Fund relating to that employer.

1.3 This report provides an update on admissions to and cessations from the Cambridgeshire Pension Fund since the last meeting of the Pension Fund Committee.

2. Executive summary

2.1 The Pension Fund Committee is asked to note the entry, to the Fund, of eight transferee admission bodies across nine admission agreements and to approve the sealing of the admission agreements.

2.2 All nine admissions are "pass-through" admissions, meaning the assets and liabilities are retained by the awarding authority, so there is no additional risk to the Fund from the admission.

2.3 The Committee has no discretion over the admission of these bodies as they have agreed to follow the Regulations of the LGPS by signing the admission agreements and therefore the regulations require the administering authority to admit them to the Fund.

2.4 The Committee is also asked to note the cessation of nine admission agreements in respect of eight employers. Seven of the admissions ended due to the contract ending and two due to the last active member leaving.

2.5 Five of the ceasing admission agreements were pass-through agreements, so no funding assessment is needed.

2.6 A funding surplus has been identified in relation to three of the ceasing admission agreements and a determination will need to be made over the value of the exit credit (which may be nil) payable to the exiting employers.

2.7 The final funding assessment for one of the exiting employers identified neither a deficit or a surplus and the employer has been discharged of their obligations without the need for either an exit payment or exit credit.

2.8 The Committee is also asked to note the update on one cessation case previously reported where the funding assessment identified a surplus resulting in the need for an exit credit determination.

3. Issues and choices

3.1 New admissions

3.1.1 Paragraph 1 of Part 3 of Schedule 2 to the Regulations provides for an Administering Authority to make an admission agreement with an admission body, enabling employees of the admission body to be active members of the Local Government Pension Scheme.

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

3.1.3 Where an admission body of the description in paragraph 1(d)(i) undertakes to meet the requirements of these Regulations, the appropriate administering authority must admit to the Scheme the eligible employees of that body.

3.1.4 The Pension Committee is asked to note the admission of eight employers across nine admission agreements and to approve the sealing of the admission agreements.

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

3.2 Cessations

3.2.1 Admission agreements in relation to the following employers have ended:

- Collections Trust
- Pabulum Limited
- Goshen Multi-Services Limited
- Nexgen Services Limited
- Taylor Shaw Limited
- Lunchtime Company Limited
- Aspens-Services Limited x 2
- Serco Limited

3.2.2 Full details of the cessations are included in Appendix B.

3.3 Update on previously reported cessations

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

3.3.2 The Pension Fund Committee is asked to note the update on the following previously reported cessation.

- Churchill Contract Services (Cambs City Council)

3.3.3 Full details are included in Appendix C.

4. Relevant Pension Fund objectives

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

4.2 Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. Objective 5

4.3 Ensure appropriate exit strategies are put in place in both the lead up to and termination of a scheme employer. Objective 7

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 Actuarial costs incurred by obtaining a calculation of the employer's contribution rate and opening funding position at commencement are recharged directly to the employer.

5.1.2 The employer contribution rate contains an allowance for administration charges, and the employer is charged a fee to recover the Funds administration costs of onboarding new employers and terminating ceased employers. This means that admissions and cessations should be cost neutral.

5.1.3 Employers who are unable to pay monies due during active membership may result in unpaid liabilities being borne by other employers in the Fund.

5.2 Legal

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

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

5.3 Risk management

5.3.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.

5.3.2 The risks associated with failing to monitor admissions and cessations have been captured in the Fund's risk register as detailed below.

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

5.3.3 The executive summary of the Cambridgeshire Pension Fund risk register can be found here.

5.4 Consultation

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

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

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

6. Background papers

6.1 None.

7. Appendices

7.1 Appendix 1 – New admissions

7.2 Appendix 2 - New cessations

7.3 Appendix 3 - Update on previously reported cessations

Appendix 1 - New admissions

To be noted:

- **Nexgen Group Limited (Meadowgate Academy)**

Nexgen Services Limited entered a contract with Affinity Multi Academy Trust to provide catering services at Meadowgate Academy. Initially, the parties couldn't agree on the cost sharing for an admission to be put in place and alternative pension options were explored. After the alternative options were exhausted, the Fund was contacted again to arrange a backdated agreement. As a result, three employees transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 August 2021. The assets and liabilities have been retained by Affinity Multi Academy Trust.

- **Knightsbridge Commercial Cleaning Services Limited (Orchards Church of England Academy)**

Knightsbridge Commercial Cleaning Services Limited have entered a contract with the Diocese of Ely Multi Academy Trust to provide cleaning services at Orchards Church of England Academy. As a result, five employees transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 December 2023. The assets and liabilities have been retained by the Diocese of Ely Multi Academy Trust.

- **Lunchtime Company Limited (Huntingdon Primary School)**

Lunchtime Company Limited have entered a contract with Huntingdon Primary School (a Cambridgeshire Local Education Authority School) to provide catering services. As a result, three employees transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 26 February 2024. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Total Clean Services Limited (Cambridge City Council)**

Total Clean Service Limited have entered a contract with Cambridge City Council to provide cleaning services. As a result, one employee transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 April 2024. The assets and liabilities have been retained by Cambridge City Council.

- **Aspens-Services Limited (Morley Memorial School)**

Aspens-Services Limited have entered a contract with Cambridge City Council to provide catering services at Ditchburn Place. As a result, one employee transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective A April 2024. The assets and liabilities have been retained by Cambridge City Council.

- **ABM Catering Limited (Ditchburn Place**

ABM Catering Limited have entered a contract with Cambridge City Council to provide catering services at Ditchburn Place, a sheltered housing scheme. As a result, one employee transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 27 March 2024. The assets and liabilities have been retained by Cambridge City Council.

- **Aspens-Services Limited (Ernulf Academy)**

Aspens-Services Limited have entered a contract with Astrea Multi Academy Trust to provide catering services at Ernulf Academy. As a result, one employee transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 August 2023. The assets and liabilities have been retained by Astrea Multi Academy Trust.

- **VHS Cleaning Services Limited (Anglian Learning)**

VHS Cleaning Services Limited have entered a contract with Anglian Learning Multi Academy Trust to provide cleaning services. As a result, seven employees transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 January 2024. The assets and liabilities have been retained by Anglian Learning Multi Academy Trust.

- **GSO t/a Reef Cleaning Solutions Limited (Cambourne Village College)**

GSO t/a Reef Cleaning Solutions Limited have entered a contract with the CAM Academy Trust to provide cleaning services at Cambourne Village College. As a result, six employees transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 1 April 2024. The assets and liabilities have been retained by the CAM Academy Trust.

Appendix 2 - New cessations

- **Collections Trust**

Collections Trust were admitted to the Fund as a community admission body on 10 May 1999, to provide museum documentation services.

On the 31 May 2024, the admission agreement ceased when the last active member left their employment. Collections Trust are no longer an admission body in respect to this agreement and their participation in the Fund has ended, as they have no ongoing admission agreements.

The actuarial assessment at the date of exit noted Collections Trust assets were within the lower and upper bounds of the funding corridor, therefore no exit payment or exit credit is required. Collections Trust have been discharged of all obligations to the Fund.

- **Pabulum Limited (Morley Memorial School)**

Pabulum Limited were admitted to the Fund under a pass-through agreement on 6 April 2019 after entering a contract to provide catering services to Morley Memorial School (a Cambridgeshire Local Education Authority School).

On 31 March 2024, the admission agreement ceased when the contract ended. Pabulum Limited are no longer an admission body in respect to this agreement, however, they continue to participate as an admission body through other ongoing admissions in the Fund.

No exit payment or credit is required as the pension liabilities were retained by Cambridgeshire County Council.

- **Goshen Multi-Services Limited (Lot 2 - Cambridge City Council)**

Goshen Multi-Services Limited were admitted to the Fund under a standard admission agreement on 1 April 2021, to provide cleaning services to Cambridge City Council.

On 31 March 2024, the admission agreement ceased when their contract ended. Goshen Multi-Services Limited are no longer an admission body in respect to this agreement, however, they continue to participate as an admission body through another ongoing admission in the Fund.

The cessation assessment identified a funding surplus of £236,000. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer and at the time of drafting were waiting for representations from the employer.

- **Nexgen Services Limited (Meadowgate Academy)**

Nexgen Services Limited were admitted to the Fund under a pass-through agreement on 1 August 2021 after entering a contract to provide catering services to Meadowgate Academy.

On 31 July 2024, the admission agreement ceased when the contract ended. Nexgen Services Limited are no longer an admission body in respect to this agreement and their participation in the Fund has ended as they have no ongoing admission agreements.

No exit payment or credit is required as the pension liabilities were retained by Affinity Multi Academy Trust.

- **Taylor Shaw Limited (Abbey College Academy)**

Taylor Shaw Limited were admitted to the Fund under a pass-through agreement on 1 September 2019 after entering a contract to provide catering services to Abbey College Academy.

On 31 July 2024, the admission agreement ceased when the contract ended. Taylor Shaw Limited are no longer an admission body in respect to this agreement, however, they continue to participate as an admission body through other ongoing admissions in the Fund.

No exit payment or credit is required as the pension liabilities were retained by Abbey College Academy (single academy trust).

- **Lunchtime Company Limited (Cambridge Primary Education Trust)**

Lunchtime Company Limited were admitted to the Fund under a pass-through agreement on 1 August 2019 after entering a contract to provide catering services to Cambridge Primary Education Trust.

On 31 July 2024, the admission agreement ceased when the contract ended. Lunchtime Company Limited are no longer an admission body in respect to this agreement, however, they continue to participate as an admission body through other ongoing admissions in the Fund.

No exit payment or credit is required as the pension liabilities were retained by Cambridge Primary Education Trust.

- **Aspens-Services Limited (The Harbour School)**

Aspens-Services Limited were admitted to the Fund under a pass-through agreement on 27 October 2018 after entering a contract to provide catering services to the Meridian Trust.

On 31 July 2024, the admission agreement ceased when the contract ended. Aspens-Services Limited are no longer an admission body in respect to this agreement, however, they continue to participate as an admission body through other ongoing admissions in the Fund.

No exit payment or credit is required as the pension liabilities were retained by Meridian Trust.

- **Aspens-Services Limited (Sacred Heart Catholic Primary School)**

Aspens-Services Limited were admitted to the Fund under a standard admission agreement on 1 January 2022, to provide cleaning services to St John the Baptist Catholic Multi Academy Trust.

On 25 February 2024, the admission agreement ceased when the last active member left. Aspens-Services Limited are no longer an admission body in respect to this agreement, however, they continue to participate as an admission body through other ongoing admissions in the Fund.

The cessation assessment identified a funding surplus of £4,500. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer and at the time of drafting were waiting for representations from the employer.

- **Serco Limited (PCC)**

Serco Limited were admitted to the Fund under a standard admission agreement on 28 November 2011, to provide HR and payroll services to Peterborough City Council.

On 1 April 2024, the admission agreement ceased when the contract ended and the staff transferred back to Peterborough City Council. Serco Limited are no longer an admission body in respect to this agreement and their participation in the Fund has ended, as they have no ongoing admission agreements.

The cessation assessment identified a funding surplus of £25,347,000. Officers have started the process to determine the value of the exit credit (which may be nil) that should be paid to the exiting employer and at the time of drafting were waiting for representations from the employer.

Appendix 3 - Update on previously reported cessations

- **Churchill Contract Services (Cambridge City Council)**

The cessation of Compass Contract Services Limited was originally reported at the June 2023 meeting of the Pension Fund Committee. The actuarial assessment as at the exit date identified a funding surplus of £732,000.

Following an exit credit determination, as required by, and considering the factors listed under section 64 (2ZC) of the Regulations, the Administering Authority has determined that the amount of exit credit payable to Churchill Contract Services is nil. The exiting employer has been informed of the decision and its right to appeal the decision.

CAMBRIDGESHIRE PENSION FUND

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk
Subject:	Cambridgeshire Pension Fund Overpayment of Entitlement and Debt Recovery Policy
Purpose of the report:	To present the Committee with the proposed Cambridgeshire Pension Fund Overpayment of Entitlement and Debt Recovery Policy.
Recommendations:	The Pension Fund Committee is asked to approve the Overpayment of Entitlement and Debt Recovery Policy.
Reasons for recommendation	To ensure the Cambridgeshire Pension Fund Overpayment of Entitlement and Debt Recovery Policy provides a consistent approach to the treatment of all overpayments and debts, ensuring that all identified affected members and employers are treated in a fair and equitable manner.
Enquiries to:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk

1. Background

1.1 It is important for the Fund to have a policy on how overpayment of pension entitlements and non-pension entitlement debt are managed once identified.

1.2 The policy provides assurance to the Fund's stakeholders that all overpayments are treated in a fair and equitable manner and that the Fund seeks to recover overpayments and has in place steps to prevent and also investigate potentially fraudulent activity.

1.3 An Overpayment of Pension Policy also strengthens the Fund's position should a complaint be made using the Internal Dispute Resolution Procedure (IDRP) which if exhausted without resolution, can be referred by the scheme member, their representative or the employer to the Pensions Ombudsman.

1.4 An Overpayment of Pension Entitlement Policy was initially agreed by the Pension Fund Committee in October 2015, with subsequent reviews in June 2018, March 2019 and March 2023.

1.5 It is deemed appropriate for the Overpayment of Pension Entitlement & Debt Recovery Policy to be reviewed by the Board prior to approval of the Committee following an Officer review due to including debt recovery.

2. Executive summary

2.1 Overpayments of pension entitlements can occur for a variety of reasons. It is important that the Fund has a clear policy on how overpayments of pension entitlements are managed once they are identified.

2.2 This review has particularly taken into account non pension benefit related debt and the importance of the Fund having a consistent approach to the treatment of all overpayments and debt, ensuring that all identified affected members and employers are treated in a fair and equitable manner.

2.3 The policy covers types of overpayments and debts and the approach the Fund will take in each scenario.

2.4 The Cambridgeshire Pension Fund recognises the need to take a pro-active approach to identifying potentially fraudulent activity and to manage overpayments effectively.

3. Issues and choices

Policy updates

3.1 As a result of the review, the following changes are being proposed –

Section	Proposed change
Title of Policy	- Overpayment of Pension Entitlement & Debt Recovery Policy 2024, to encompass non-pension benefit related debt.
1 – Introduction	- Updated to reflect the managing of recovery of money owed to the Fund. This applies to all parties in scope of the policy, as set out in section 5.1 of the policy.
3 – Purpose of the Policy	- Updated to include debt and consistent approach for identified members and employers. This applies to all parties in scope of the policy, as set out in section 5.1 of the policy. -

Section	Proposed change
5 - Scope	- Updated to include Scheme Employer, Admission bodies (and former) and Local Pension Board.
Structure of the Policy	- The policy has been split into Member Overpayment Management and Employer and Miscellaneous Debt Management to make it easier to refer to the applicable section.
6.1 - Managing overpayments of pension on the death of a scheme member	- 6.1.5 has been added to include a reference to a death grant overpayment.
6.7 - Recovery of member overpayments	- 6.7.4 includes a reference to the internal dispute resolution procedure should a mutual agreement not be arrived at.
6.9 – Overpayments due to Fraud or Corruption	- A separate section has been added on fraud and corruption which confirms that we will liaise with the WNC internal fraud team if fraud or corruption is suspected.
7.1 - Monthly Contributions, Deficit Contributions, Strain Costs and Unfunded Pensions	- New section added to confirm the approach to contribution, strain costs and unfunded pension debt.
7.2 - Recharges and Miscellaneous Debt	- Section added to confirm the approach to recharges and any miscellaneous debt.
7.3 – Recovery of debts	- Section added to include the considerations when seeking to recover debt.
8 - Claims of inability to repay overpayments and debts	- Section updated to reflect the inability to repay a debt.
9 - Authority to write off overpayments & debts	- Updated to include debts in the authority to write off table.

Oversight of the policy

3.2 An equality and anti-poverty screening assessment has been undertaken and no negative adverse effects have been identified.

3.3 The policy was presented to the Board in June 2024 for pre scrutiny, and as a result the following changes have also been incorporated:
1) An explanation of the Cambridgeshire Pension Fund automatically writing off amounts up to £250 and overpayments being treated as an employer liability has been incorporated before going into the types of overpayments. The references have been removed from individual scenarios to reduce repetitiveness (section 6 member overpayment management).
2) A sentence has been added to confirm that the Head of Pensions will raise with the s151 Officer and Pension Committee if aggregated overpayment/debt amounts become material to the Fund (8.5).

3.4 For the next review of the Policy, Officers will seek to update the examples in Appendix 1 of the Policy.

4. Relevant Pension Fund objectives

The following objectives have been considered in this report:

4.1 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.

4.2 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.

4.3 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.

4.4 Continually monitor and measure clearly articulated objectives through business planning.

4.5 Deliver consistent accessible communications to stakeholders.

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

4.7 Ensure cash flows in to and out of the Fund are timely and of the correct amount.

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 There are no resource implications arising from the recommendations. An equality assessment has been undertaken with no negative adverse effects being identified.

5.2 Legal

5.2.1 There could be legal implications if overpayments are not recovered in accordance with the law.

5.3 Communication Implications

5.3.1 The Cambridgeshire Pension Fund Overpayment of Entitlement and Debt Recovery Policy will be published on the website once approved by the Pension Fund Committee.

5.4 Risk management

5.4.1 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
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
Incorrect production of accounts, notices, publications and management reports leading to possible financial and reputational damage	Green
Failure to understand and monitor risk compliance.	Green
Lack of understanding of employer responsibilities which could result in statutory and non-statutory deadlines being missed	Green

5.4.2 The executive summary of the Cambridgeshire Pension Fund risk register can be found here.

5.5 Consultation

5.5.1 No consultation has been required arising from the proposals within this report.

6. Background papers

6.1 None.

7. Appendices

7.1 Appendix 1 - Current Cambridgeshire Pension Fund Overpayment of Entitlement Policy

7.2 Appendix 2 - Proposed Cambridgeshire Pension Fund Overpayment of Entitlement and Debt Recovery Policy

Overpayment of Pension Entitlement Policy 2023

West Northamptonshire Council | Cambridgeshire County Council

Administered in partnership

Contents

1. Introduction

1.1 This is the Overpayment of Pension Entitlement Policy for Cambridgeshire Pension Fund, which is managed by Cambridgeshire County Council (the Administering Authority).

1.2 Overpayments of pension can occur for a variety of reasons. It is important that the Fund has a clear policy on how overpayments of pension entitlements are managed once they are identified.

1.3 Cambridgeshire Pension Fund recognises the need to take a pro-active approach to identifying potential fraudulent activity and overpayments.

2. Policy objectives

2.1 The policy objectives aim to ensure the Fund:

- has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- ensures benefits are paid to, and income collected from, the right people at the right time with the right amount.
- identifies errors as soon as possible.
- rectifies overpayments with the cooperation of the individual.
- encourages individuals to take an active role in checking payslips/payments for obvious errors.
- avoids the Internal Dispute Resolution Procedure (IDRP), where possible, by managing the process effectively.

3. Purpose of the policy

3.1 The policy is designed to provide assurance to the Fund's stakeholders that:

- all overpayments are treated in a fair and equitable manner.
- the Fund seeks to recover overpayments that have occurred but acknowledges that there may be legal reasons and/or other circumstances which mean that an overpayment may not, in practice, be able to be recovered (in whole or in part).
- has steps in place to prevent and also investigate potential fraudulent activity.

4. Effective date and reviews

4.1 This policy was first approved by the Pension Fund Committee on 22 October 2015 and was effective from 23 October 2015. The policy has since been subject to the following reviews:

Date of review	Policy effective date:
24 May 2018	25 May 2018
28 March 2019	29 March 2019
30 March 2023	31 March 2023

4.2 This policy will be reviewed every three years, and if necessary, more frequently to ensure it remains accurate and relevant.

5. Scope

5.1 The policy applies to:

- all members and former members, which in this policy includes survivor and pension credit members of the Cambridgeshire Pension Fund who have received one or more payments from that Fund.
- executors of the estates of deceased Cambridgeshire Pension Fund members.
- beneficiaries of Cambridgeshire Pension Fund members where those beneficiaries have received one or more payments from that Fund.
- administrators of the scheme.
- the Pension Fund Committee.

6. Managing overpayments of pension on the death of a scheme member

6.1 Understandably, notification of a death of a pensioner member of the scheme does not always happen immediately and as such it is not always possible to stop payment of the pension after a point in the payroll month and so an overpayment can occur.

6.2 Should an overpayment of pension occur following the death of a scheme member, the Fund will generally seek to recover overpayments that are greater than £250.00 (gross) in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part). A value of £250.00 or less in the instance of the death of a scheme member has been deemed by the Fund as uneconomical to pursue. In such circumstances, the Fund's approach will be that the sum written off is treated as a liability against the scheme member's former employer.

6.3 All correspondence regarding an overpayment will be handled sensitively in the initial stages due to the circumstances surrounding how the overpayment has occurred.

6.4 An invoice will be raised by the Fund to recover an overpayment which is greater than £250.00 upon the death of a scheme member.

7. Managing overpayments of children's pensions failing to cease at the appropriate time

7.1 An eligible child as defined by the LGPS Regulations 2013, is entitled to receive a pension until such a time as their circumstances change and they are no longer eligible to receive a pension from the Fund.

7.2 In these cases the individual in receipt of the pension is responsible for informing the Pensions Service of a change in circumstances to ensure the pension is ceased at the appropriate time, failure to do so would result in an overpayment.

7.3 Should an overpayment of pension occur as a result of a late notification of change of circumstances, the Fund will generally seek to recover overpayments that are greater than £250.00 (gross) in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part). A value of £250.00 or less has been deemed by the Fund as uneconomical to pursue. In such circumstances, the Fund's approach will be that the sum written off is treated as a liability against the scheme member's former employer.

7.4 An invoice will be raised by the Fund to recover the overpayment which is greater than £250.00 as a result of the late notification of the change in circumstances. The invoice will be sent to the individual whose bank account the child's pension was being paid into.

8. Managing overpayments of pension entitlement following incorrect information supplied by the employer in respect of the scheme member

8.1 Should an overpayment of pension occur as a result of inaccurate information provided by the scheme member's employer on retirement, the Fund will generally seek to recover monies that are greater than £250.00 in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part). A value of £250.00 (gross) or less has been deemed by the Fund uneconomical to pursue due to the administrative time involved.

8.2 Overpayments that are greater than £250.00 in value will generally be recovered through the scheme member's ongoing pension as this allows for the appropriate adjustment for tax. The pension will be reduced to the correct level for the next available monthly pension payment after a 6 week notice period. The scheme member will be notified in writing of the error and the course of action to be taken.

8.3 Where there is no ongoing pension from which to deduct the overpaid amount, an invoice will be arranged by the Fund to recover any overpayment which is greater than £250.00 in value. The invoice will be sent to the individual who received the pension payment(s).

8.4 Where an overpayment of the lump sum has occurred following inaccurate information provided by the employer, an invoice will be arranged by the Fund to recover any overpayment which is over £250.00 in value. The invoice will be sent to the individual who received the lump sum payment.

9. Managing overpayments of pension as a result of the incorrect rate of pension paid by the Fund and the member can be said to be reasonably aware of the overpayment.

9.1 There are a number of reasons why a pension could be paid at an incorrect higher rate. The most common reasons are detailed in the table below, but it should be noted that this is not an exhaustive list.

	Type of overpayment	How overpayment has occurred
1	Administration error upon creation of payroll record	Incorrect (overstated) rate of pension inputted onto payroll record but member informed in writing of the correct rate of pension to be paid.
2	Administration error upon calculation/payment of pension scheme lump sum	Incorrect (miscalculated/overstated) lump sum paid to member but member informed in writing of the correct value of the lump sum to be paid.
3	Re-employment where abatement affects rate of pension due	Re-employment not notified and within the terms of the Administering Authority policy on the exercise of their discretion relating to abatement, the member's annual pension should have been reduced or suspended due to the level of earnings in the new employment. Identified through National Fraud Initiative exercise or other means.
4	Entitlement to pension ceasing	Non notification that a child's pension is no longer payable as the child aged 18 or above is no longer in full time education or vocational training.
5	Entitlement to current rate of pension ceasing	A Pension Sharing Order or Earmarking Order being received after the implementation date meaning that the pension has been overpaid since that implementation date.
6	Failure to action an alteration to the payroll record/reduction in pension	Failing to implement the change from the higher short term dependents pension to the lower long-term rate.
7	Failure to action an alteration to the payroll record/reduction in pension	Failing to implement a reduction to a pension as a result of National Insurance Modification (at State Pension Age for those members who both left the LGPS before 1 April 1998 **and** had membership before 1 April 1980).

9.2 If the scheme member has been notified of the correct rate of pension and/or lump sum in writing and is receiving/ has received a higher amount, it can be said that the member can reasonably be aware that they are being/ have been overpaid as the scheme member has been notified of the correct rate in writing.

9.3 The Fund will therefore generally seek to recover monies that are greater than £250.00 gross in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part). A value of £250.00 or less has been deemed by the Fund as uneconomical to pursue due to the administrative time involved.

9.4 The amount of overpaid pension will generally be recovered from the scheme member's ongoing pension as this allows for the appropriate adjustment for tax. The pension will also be reduced to the correct level for the next available monthly pension payment after a 6 week notice period and will be notified in writing of the error and the course of action to be taken.

9.5 Where there is no ongoing pension from which to deduct the overpaid amount, OR the pension scheme lump sum has been overpaid, , an invoice will be arranged by the Fund to recover the overpayment which is greater than £250.00 in value. The invoice will be sent to the individual who received the pension/lump sum payment.

10. Managing overpayments of pension following an incorrect rate of pension entitlement being paid by the Fund and it can be said that the member cannot have known of the overpayment

10.1 The table below illustrates how an overpayment of a member's pension can occur without the member being aware. It should be noted that the table below is not an exhaustive list;

	Type of overpayment	How overpayment has occurred
1	Administration error upon calculation and notification of benefit entitlement (includes dependants' pensions and Pension Credit members)	Incorrect (overstated) rate of pension inputted onto payroll record and member informed in writing of the, incorrect, rate of pension to be paid.
2	Administration error upon calculation and notification of pension scheme lump sum entitlement	Incorrect (overstated) pension scheme lump sum paid to the member and member informed in writing of the incorrect lump sum to be paid
3	Pensions Increase	Pensions Increase inaccurately applied to the elements of a pension in payment.

10.2 In these circumstances the Fund will generally seek to recover monies that are greater than £250.00 gross in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part). A value of £250.00 or less has been deemed by the Fund as uneconomical to pursue due to the administrative time involved.

10.3 The amount will be recovered from the scheme member's ongoing pension as this allows for the appropriate adjustment for tax. The pension will also be reduced to the correct level for the next available monthly pension payment after a 6 week notice period. The scheme member will be notified in writing of the error and the course of action to be taken.

10.4 Where there is no ongoing pension from which to deduct the overpaid amount, or an overstated pension scheme lump sum has been paid, an invoice will be arranged by the Fund to recover any overpayment which is greater than £250.00 in value. The invoice will be sent to the individual who received the pension/lump sum payment.

11. Overpayments resulting from an error with Guaranteed Minimum Pension (GMP)

11.1 Overpayments can also occur as a result of an incorrect or non-application of the GMP element of a member's pension as detailed in the table below.

1	GMP not included in the pension being paid	New information from HMRC or a review of the member's record shows that a GMP should have been included within the pension but has not. Due to the different way cost of living increases are applied to GMP and the excess over GMP, means that, overall, a lower level of pensions increase should have been paid.
2	Incorrect level of GMP being paid	New information from HMRC or a review of the member's record leads to a revised rate of GMP to be used which, due to the different way cost of living increases are applied to GMP and the excess over GMP, means that, overall, a lower level of pensions increase should have been paid.
3	GMP not accurately split between pre 88 and post 88	New information from HMRC or a review of the member's record shows that a GMP has not been apportioned correctly. Due to the different way cost of living increases are applied to pre 88 GMP and post 88 GMP, means that, overall, a lower level of pensions increase should have been paid.

11.2 The application of GMP to a member's pension requires a high degree of technical understanding that can only reasonably be expected of a pensions practitioner. As such, and where there has been no explicit communication to the member that would mean that they could have known that their pension was being paid incorrectly as a result of the non or misapplication of GMP, the overpayment of any value should be written off without the requirement for authorisation as detailed in 17.1.

11.3 The pension will be reduced to the correct level for the next available monthly pension payment after a 6 week notice period. The scheme member will be notified in writing of the error and the course of action to be taken.

12. Discretion to write off overpayments

12.1 For all scenarios mentioned above, Officers have the ability to exercise discretion in the event of legal reasons and/or exceptional circumstances and to ensure no individual is unfairly treated. If the pursuing recovery of an overpayment was to cause significant distress and/or if there are legal reasons as to why the overpayment may not be recovered (in whole or in part) this would be taken into account as would the cost effectiveness of recovery. All applications made to write off of an overpayment will be investigated on a case-by-case basis and final decision will be made by the appropriate officer listed in section 17 dependent upon the amount potentially being written off.

12.2 The Cambridgeshire Pension Fund has authority to automatically write off any amount up to £250.00 in line with HM Revenue and Customs authorised payments limits and analysis of the cost effectiveness of pursuing amounts up to this value.

13. Recovery

13.1 The Limitation Act 1980 states that "*An action founded on simple contract shall not be brought after the expiration of six years from the date on which the cause of action accrued*". However, section 32(1) of the Act effectively 'postpones' the date by which an administering authority may make a claim to recover monies in certain circumstances. It states "*the period of limitation shall not begin to run until the plaintiff has discovered the fraud, concealment or mistake (as the case may be) or could with reasonable diligence have discovered it*". The potential effect of section 32(1) in relation to any overpayment and its recovery will be considered on a case-by-case basis.

13.2 Therefore the Fund will generally seek to recover overpayments that have been discovered within the last 6 years with the relevant postponement applied if applicable in line with the Limitation Act unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part).

13.3 Examples of limitation periods and how they operate in relation to overpayments are included in appendix 1 of this policy.

13.4 It should be borne in mind that where the Fund seeks to recover overpayments, there may be arguments raised as to why the overpayment should not be recovered (in whole or in part). These will need to be considered on a case-by-case basis and, if successful, may affect the ability of the Fund to recover the overpayment (in whole or in part).

14. Length of time to recover overpayment

14.1 The Fund will allow a pension overpayment to be recovered over the same amount of time as the overpayment occurred. For example, if overpayments were made over a 3 month period, the recovery period to repay the overpayment will be over 3 months. In the event that reasonable arguments are advanced that the recovery period should be extended, the Fund can at its discretion allow an extension based on the individual's circumstances.

15. Claims of inability to repay overpayments

15.1 In cases where it is claimed that an overpayment cannot be repaid, officers of the Fund will enter into negotiations with the scheme member/next of kin and an analysis of the cost effectiveness of pursuing the overpayment will be undertaken on a case-by-case basis. For large overpayments, where appropriate the Fund will seek legal advice. This approach will reduce the number of Internal Dispute Resolution Procedures applications and referrals to the Pensions Ombudsman. For any cases that do reach the Pensions Ombudsman, Cambridgeshire Pension Fund would have demonstrated engagement and negotiation with the complainant.

16. Monitoring repayments

16.1 In cases where recovery is not being made through the payroll and an invoice has been raised, the responsibility for chasing the payment rests with the Cambridgeshire County Council Debt Recovery Team. If a final reminder is issued, officers are notified and a decision is made by the Head of Pensions as to whether to take legal action, taking into consideration the amount and circumstances against the potential of legal action.

17. Authority to write off overpayments

17.1 In line with Cambridgeshire County Council's Scheme of Delegation, the Fund will apply the following levels of authority when writing off overpayments:

Total value of overpayment*	Authority to write off overpayment
No more than £250.00 (gross) on death of a pensioner and any other overpayment type	Officers
Up to no more than £5,000 (gross)	Head of Pensions (in the absence of the Head of Pensions authority will move to the Cambridgeshire County Council Section 151 Officer)
Up to no more than £24,999.99 (gross)	Cambridgeshire County Council Section 151 Officer
£25,000+ (gross)	Cambridgeshire Pension Fund Pension Fund Committee
*Subject to a full evidence-based report produced by Officers of the Fund	

18. Reporting to the HM Revenue and Customs and effects on the Fund and individual

18.1 Administering authorities are obliged to correct any error they discover within a reasonable period of time. To do otherwise would render payments unauthorised under Section 14 of the Registered Pension Scheme (Authorised Payments) Regulations 2009. The HM Revenue and Customs have a clear steer with regards to timing, in so much that "*When a scheme discovers an overpayment it immediately becomes unauthorised and is subject to an unauthorised tax charge*".

18.2 Regulation 13 states that a payment made in error will be an authorised payment if the:

- payment was genuinely intended to represent the pension payable to the person.
- administering authority believed the recipient was entitled to the payment and.
- administering authority believed the recipient was entitled to the amount of pension that was paid in error.

18.3 In addition to the above, there is a further exemption where the overpayment is a 'genuine error' and the aggregate overpayment (paid after 5th April 2006) is less than £250. In such circumstances, if the overpayment is not recovered it remains an unauthorised payment but it does not have to be reported to HM Revenue and Customs and HM Revenue and Customs will not seek to collect tax charges on it.

18.4 Examples of HM Revenue and Customs 'genuine errors' are in appendix 2 of this policy.

18.5 The Finance Act 2004 also sets out a list of the payments which a registered pension scheme is authorised to make to members. Payments which do not fall within the list will become unauthorised payments and could result in up to three tax charges applying: 1) an authorised payments charge on the recipient of the payment; 2) an unauthorised payments surcharge on that recipient; and 3) a scheme sanction charge on the scheme.

18.6 Payments made in the period between notifying the member of an overpayment and the point at which the correction to the right level of pension is made will be regarded under the above legislation as an unauthorised payment. If the total amount of pension paid at the incorrect rate from point of notification to date of reduction to the correct rate is greater than £250 (gross) it would be subject to tax charges 1) and 3) and possibly 2 as set out in section 18.5.

19. Prevention

19.1 The Fund has in place processes in order to minimise the risk of overpayments occurring.

19.2 The National Fraud Initiative is conducted every two years; it compares files of pensioners with the Department for Work and Pensions database of the deceased and highlights matches for investigation. Cambridgeshire Pension Fund actively participates in this initiative.

19.3 Cambridgeshire Pension Fund participates in overseas life existence checks to ensure only legitimate pensions are being paid and to reduce the likelihood of fraudulent activity.

19.4 A report is run periodically on the pension administration system to identify individuals in receipt of a child's pension, further investigations are then carried out for children that are identified as over the age of 18 to ensure they are still entitled to receive a pension.

19.5 Cambridgeshire Pension Fund includes reminders in its correspondence that the Fund must be advised of changes in circumstances or the death of a scheme member. The Fund also investigates any returned pensioner payslips and pension payments returned by banks and building societies to ensure the welfare of the scheme member and to protect payment of the Fund's money.

19.6 Fund officers have a robust system in place for identifying changes to the payroll that need to be processed for a particular payroll month. The process incorporates payroll deadlines and ensures changes are made in a correct and timely manner. This would be in circumstances such as a change from a short-term dependant's pension to a long term pension.

Appendix 1 – Limitation Period Examples

Scenario	Limitation Period	Overpayment Period which can be claimed*
• Overpayments began in April 2013 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in August 2015 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for period between April 2013 and August 2015 • Formal claim** for recovery made in January 2020 (the Cut Off Date as referred to in *Webber v Department for Education*)	• No issues in principle with the Limitation Period as formal claim for recovery commenced within 6 year period after the Discovery Date • Claims are therefore valid and should proceed	• Overpayments back to when they began in April 2013 until August 2015 may be claimed (based on the assumption that the overpayment was discovered in August 2015, if not discovered at this time the overpayment period would be longer).
• Overpayments began in April 2008 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in November 2014 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made from April 2008 to November 2014 • Formal claim for recovery made in December 2016 (the Cut Off Date as referred to in *Webber*)	• No issues in principle with the Limitation Period as formal claim for recovery commenced within 6 year period after the Discovery Date • Claims are therefore valid and should proceed	• Overpayments back to when they began in April 2008 until November 2014 may be claimed (based on the assumption that the overpayment was discovered in November 2014, if not discovered at this time the overpayment period would be longer).

Scenario	Limitation Period	Overpayment Period which can be claimed*
• Overpayments began in January 2004 (the first Mistake Date) • Overpayments discovered or could have been discovered with reasonable due diligence in September 2021 (when the date was received from HM Treasury in relation to the GMP equalisation exercise) (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for the period from January 1999 to September 2021 • Formal claim for recovery made in February 2022 (the Cut Off Date as referred to in *Webber*)	• No issues in principle with the Limitation Period as formal claim for recovery commenced within 6 year period after the Discovery Date • Claims are therefore valid and should proceed	• Overpayments back to when they began in January 2004 until September 2021 may be claimed (based on the assumption that the overpayment was discovered in September 2021, if not discovered at this time the overpayment period would be longer).
• Overpayments began in April 2011 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in August 2014 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for period between April 2011 and August 2014 • Formal claim for recovery made in January 2022 (the Cut Off Date as referred to in Webber)	• Issue with the Limitation Period as formal claim for recovery commenced more than 6 years after the Discovery Date • Claims are therefore out of time and should not proceed	• Overpayments cannot be claimed back as the formal claim for recovery was made more than 6 years after the Discovery Date (based on the assumption that the overpayment was discovered in August 2014, if discovered after this time a period of reclaim maybe applicable).

Scenario	Limitation Period	Overpayment Period which can be claimed*
• Overpayments began in April 2011 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in August 2014 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for period between April 2011 and August 2021 • Formal claim** for recovery made in January 2022 (the Cut Off Date as referred to in *Webber*)	• Issue with the Limitation Period as formal claim for recovery commenced more than 6 years after the Discovery Date • Claims for overpayments between April 2011 and January 2016 are therefore out of time and should not proceed • However, as each monthly overpayment is a separate overpayment, the effect of the Webber case is that overpayments made in the 6 years prior to the Cut Off Date (i.e. the overpayments made in February 2016 to August 2021) can be recovered	• Overpayments for the period April 2011 to January 2016 cannot be claimed back as the formal claim for recovery was made more than 6 years after the Discovery Date. • Overpayments for the period February 2016 to August 2021 may be reclaimed. (based on the assumption that the overpayment was discovered in August 2014, of discovered after this time the overpayment period would be longer).

* whilst this refers to the period which can be claimed, this is not the same as the period which will definitely be recovered in light of the other defences which are available to scheme members who face such claims for repayments of overpayment.
** reference to formal claim in this appendix means the commencement of formal proceedings to recover the overpayment.

Appendix 2 - Examples of HM Revenue and Customs 'genuine errors'

Genuine error - example 1

Apart from the case of pensions continuing under a 'term certain' guarantee, pensions are supposed to stop accruing on the death of the pensioner. If payments that accrued inappropriately after the death continue to be made, they will be unauthorised unless they fall within the limited conditions of regulation 15 of The Registered Pension Schemes (Authorised Payments) Regulations. The main feature of those conditions is that instalments can be paid within 6 months of the member's death providing the payer was reasonably unaware the pensioner had died.

Clearly then, once the 6 month time limit has passed, the tax rules will regard any future instalments as unauthorised member payments, and the fact the payer might remain unaware of the member's death does not change the essential character of any payment made. When the death comes to light the payer can see that the payments made more than 6 months after death were made in error.

Genuine error - example 2

The tax rules normally require that a pension being paid to a dependent who is child of a deceased member must stop when the recipient reaches age 23. If the recipient does not qualify for any of the exceptions that would allow for the continuation of their pension after that time, for example because of a disability, then the payer must make adequate arrangements to stop the pension in time. To this end they may give a clear and timely warning to the bank to stop payments from the necessary date but it can happen that the bank fails to act on those instructions and payments continue to be made in error.

In both of these examples, if the error was spotted and rectified (pension overpayments were repaid) as soon as reasonably possible, the inadvertent pension instalments (in the case of Example 1, only in respect of the instalments paid after the 6 month limit where the conditions otherwise apply) would not be unauthorised member payments.

However, there would be an unauthorised member payment if, despite the error being spotted, it is decided the repayment of the inadvertently overpaid pension instalments will not be pursued or the scheme does attempt recovery (in the case of Example 1, only in respect of the instalments paid after the 6 month limit where the conditions otherwise apply) but is unsuccessful and eventually decides to write off the overpayment (even though the decision might be taken on administration costs grounds or out of sensitivity). The exception to this will be if - as may often be the case - one of the categories of authorised payments introduced by the Registered Pension Schemes (Authorised Payments) Regulations 2009 can then be looked to in relation to payments made in genuine error but left in place.

The date of the unauthorised payment for the purpose of having to make a report of that payment would be the date that the decision is made not to seek recovery of the overpayment or the date the decision is taken to no longer seek recovery of the overpayment, as the case may be.
Where the overpayment is not pursued or, otherwise, not successfully pursued and the total of such overpaid pension instalments paid after 5 April 2006 (overpaid instalments paid before 6 April 2006 do not count for this purpose) to, or in respect of, a particular member does not exceed £250:

- for its own reasons of cost administration, under its Collection and Management powers, HM Revenue & Customs will not seek to collect the tax that, in strictness, is due in respect of the unauthorised payment (although the payment remains an unauthorised payment), and

- the scheme administrator does not have to report the unauthorised payment to HM Revenue & Customs, and

- the unauthorised payment does not have to be returned on the recipient's Self-Assessment tax return or, otherwise, be notified to HM Revenue & Customs.

If the aggregate overpayment exceeds £250, then all of the overpayment is chargeable as an unauthorised payment (i.e. one cannot deduct £250 as if it were an allowance, which it is not).

For this purpose, the £250 threshold applies to the aggregate of the overpayments actually received by, or in respect of, the member.

Where the conditions would otherwise apply in respect of pension instalments paid later than 6 months after the death of a pensioner except that the pension instalments have been paid later than 6 months after the pensioner's death, the £250 threshold applies in respect of the aggregate of the pension instalments paid after the expiry of the 6 month time limit only. The pension instalments paid up to the 6 month time limit would not be.

Overpayment of lump sums

The conditions described above apply equally where an overpayment of a lump sum occurs, such as a pension commencement lump sum or serious ill-health lump sum. So the limit of £250 will apply, but any lump sum in excess of that amount, where recovery cannot be made, will be an unauthorised payment to the extent that the amount is not an authorised payment.

For example, a pension commencement lump sum of £100,000 is due to be paid under the scheme rules, but £105,000 is paid in error. The scheme administrator is unable to affect a recovery of the excess. Under the tax rules, the pension commencement lump sum of £100,000 is the permitted maximum, so the whole excess of £5,000 is an unauthorised payment (i.e. one cannot deduct £250 as if it were an allowance, which it is not).

Note that a payment of a lump that is intended to be a pension commencement lump sum but ends up exceeding the permitted maximum may still be an authorised member payment if certain conditions are met.

Example

A pension commencement lump sum must be paid within an 18 month period starting 6 months before and ending 12 months after the member becomes entitled to the lump sum and linked pension. However, due to an error within the administration department of the pension scheme, the lump sum payment is not made by that deadline. If the lump sum is paid after the deadline it will not be a pension commencement lump sum and (unless it falls within the definition of one of the other authorised lump sums) will be an unauthorised member payment.

Cambridgeshire
Pension Fund

Overpayment of Pension Entitlement & Debt Recovery Policy 2024

West Northamptonshire Council

Cambridgeshire County Council

Administered in partnership

Contents

1. Introduction

1.1 This is the Overpayment of Pension Entitlement & Debt Recovery Policy for Cambridgeshire Pension Fund, which is managed by Cambridgeshire County Council (the Administering Authority).

1.2 Overpayments of pension can occur for a variety of reasons. Member benefits are explicitly outlined in the Local Government Pension Scheme (LGPS) Regulations and other relevant legislation, and it is impermissible under law for members to receive amounts other than those stipulated by these rules. It is important that the Fund has a clear policy on how overpayments of pension entitlements are managed once they are identified.

1.3 It is important that the Fund has a process in place for managing the recovery of money owed to the Fund.

1.4 Cambridgeshire Pension Fund recognises the need to take a pro-active approach to identifying potential fraudulent activity and overpayments.

2. Policy objectives

2.1 The policy objectives aim to ensure the Fund:

- has robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- manages the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- ensures benefits are paid to, and income collected from, the right people at the right time with the right amount.
- identifies errors as soon as possible.
- rectifies overpayments with the cooperation of the individual.
- encourages individuals to take an active role in checking payslips/payments for obvious errors.
- avoids the Internal Dispute Resolution Procedure (IDRP), where possible, by managing the process effectively.

3. Purpose of the policy

3.1 The policy is designed to provide assurance to the Fund's stakeholders that:

- ensure a consistent approach to the treatment of all overpayments and debt, ensuring that all identified affected members and employers are treated in a fair and equitable manner.
- the Fund and Employers are aware of and understand their respective roles and responsibilities under the LGPS Regulations
- the Fund seeks to recover overpayments and debts that have occurred but acknowledges that there may be legal reasons and/or other circumstances which mean that an overpayment may not, in practice, be able to be recovered (in whole or in part).
- has steps in place to prevent and also investigate potential fraudulent activity.

4. Effective date and reviews

4.1 This policy was first approved by the Pension Fund Committee on 22 October 2015 and was effective from 23 October 2015. The policy has since been subject to the following reviews:

Date of review by Pension Fund Committee	Date of review by Officers *
24 May 2018	
28 March 2019	
30 March 2023	
xx	

* new review process introduced from April 2023.

4.2 This policy will be reviewed by Officers annually and by the Committee on a three yearly basis, or if necessary more frequently.

5. Scope

5.1 The policy applies to:

- all members and former members, which in this policy includes survivor and pension credit members of the Cambridgeshire Pension Fund who have received one or more payments from that Fund.
- executors of the estates of deceased Cambridgeshire Pension Fund members.
- beneficiaries of Cambridgeshire Pension Fund members where those beneficiaries have received one or more payments from that Fund.
- Scheme Employers and Admission Bodies
- Former Scheme Employers and Admission Bodies
- administrators of the scheme.
- the Pension Fund Committee and Pension Fund Board.

6. Member Overpayment Management

The Cambridgeshire Pension Fund will aim to recover all overpayments and debts with a value of over £250. For values of less than £250 the Fund has authority to automatically write these off in line with HM Revenue and Customs authorised payments limits and analyses the cost effectiveness of pursuing amounts up to this value (section 6.7).
The only exception to this approach is in relation to overpayments resulting from an error from a Guaranteed Minimum Pension whereby no recovery will be sought due to the technical understanding that would only be reasonable to expect from a pensions practitioner (section 6.6).
All sums written off will be treated as a liability against the scheme members employer/former employer.

6.1 Managing overpayments of pension on the death of a scheme member

6.1.1 Understandably, notification of a death of a pensioner member of the scheme does not always happen immediately and as such it is not always possible to stop payment of the pension after a point in the payroll month and so an overpayment can occur.

6.1.2 Should an overpayment of pension occur following the death of a scheme member, the Fund will generally seek to recover overpayments that are greater than £250.00 (gross) in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part). A value of £250.00 or less in the instance of the death of a scheme member has been deemed by the Fund as uneconomical to pursue. In such circumstances, the Fund's approach will be that the sum written off is treated as a liability against the scheme member's former employer.

6.1.3 All correspondence regarding an overpayment will be handled sensitively in the initial stages due to the circumstances surrounding how the overpayment has occurred.

6.1.4 An invoice will be raised by the Fund to recover an overpayment which is greater than £250.00 upon the death of a scheme member.

6.1.5 Where an overpayment of a Death Grant has occurred, the invoice will be sent to the individual who received the incorrect Death Grant payment.

6.2. Managing overpayments of children's pensions failing to cease at the appropriate time

6.2.1 An eligible child as defined by the LGPS Regulations 2013, is entitled to receive a pension until such a time as their circumstances change and they are no longer eligible to receive a pension from the Fund.

6.2.2 In these cases the individual in receipt of the pension is responsible for informing the Pensions Service of a change in circumstances to ensure the pension is ceased at the appropriate time, failure to do so would result in an overpayment.

6.2.3 Should an overpayment of pension occur as a result of a late notification of change of circumstances, the Fund will generally seek to recover overpayments that are greater than £250.00 (gross) in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part).

6.2.4 An invoice will be raised by the Fund to recover the overpayment which is greater than £250.00 as a result of the late notification of the change in circumstances. The invoice will be sent to the individual whose bank account the child's pension was being paid into.

6.3. Managing overpayments of pension entitlement following incorrect information supplied by the employer in respect of the scheme member

6.3.1 Should an overpayment of pension occur as a result of inaccurate information provided by the scheme member's employer on retirement, the Fund will generally seek to recover monies that are greater than £250.00 in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part).

6.3.2 Overpayments that are greater than £250.00 in value will generally be recovered through the scheme member's ongoing pension as this allows for the appropriate adjustment for tax. The pension will be reduced to the correct level for the next available monthly pension payment after a 6 week notice period. The scheme member will be notified in writing of the error and the course of action to be taken.

6.3.3 Where there is no ongoing pension from which to deduct the overpaid amount, an invoice will be arranged by the Fund to recover any overpayment which is greater than £250.00 in value. The invoice will be sent to the individual who received the pension payment(s).

6.3.4 Where an overpayment of the lump sum has occurred following inaccurate information provided by the employer, an invoice will be arranged by the Fund to recover any overpayment which is over £250.00 in value. The invoice will be sent to the individual who received the lump sum payment.

6.4. Managing overpayments of pension as a result of the incorrect rate of pension paid by the Fund and the member can be said to be reasonably aware of the overpayment.

6.4.1 There are a number of reasons why a pension could be paid at an incorrect higher rate. The most common reasons are detailed in the table below, but it should be noted that this is not an exhaustive list.

	Type of overpayment	**How overpayment has occurred**
1	Administration error upon creation of payroll record	Incorrect (overstated) rate of pension inputted onto payroll record but member informed in writing of the correct rate of pension to be paid.
2	Administration error upon calculation/payment of pension scheme lump sum	Incorrect (miscalculated/overstated) lump sum paid to member but member informed in writing of the correct value of the lump sum to be paid.
3	Re-employment where abatement affects rate of pension due	Re-employment not notified and within the terms of the Administering Authority policy on the exercise of their discretion relating to abatement, the member's annual pension should have been reduced or suspended due to the level of earnings in the new employment. Identified through National Fraud Initiative exercise or other means.
4	Entitlement to pension ceasing	Non notification that a child's pension is no longer payable as the child aged 18 or above is no longer in full time education or vocational training.
5	Entitlement to current rate of pension ceasing	A Pension Sharing Order or Earmarking Order being received after the implementation date

		meaning that the pension has been overpaid since that implementation date.
6	Failure to action an alteration to the payroll record/reduction in pension	Failing to implement the change from the higher short term dependents pension to the lower long-term rate.
7	Failure to action an alteration to the payroll record/reduction in pension	Failing to implement a reduction to a pension as a result of National Insurance Modification (at State Pension Age for those members who both left the LGPS before 1 April 1998 **and** had membership before 1 April 1980).

6.4.2 If the scheme member has been notified of the correct rate of pension and/or lump sum in writing and is receiving/ has received a higher amount, it can be said that the member can reasonably be aware that they are being/ have been overpaid as the scheme member has been notified of the correct rate in writing.

6.4.3 The Fund will therefore generally seek to recover monies that are greater than £250.00 gross in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part).

6.4.4 The amount of overpaid pension will generally be recovered from the scheme member's ongoing pension as this allows for the appropriate adjustment for tax. The pension will also be reduced to the correct level for the next available monthly pension payment after a 6 week notice period and will be notified in writing of the error and the course of action to be taken.

6.4.5 Where there is no ongoing pension from which to deduct the overpaid amount, OR the pension scheme lump sum has been overpaid, , an invoice will be arranged by the Fund to recover the overpayment which is greater than £250.00 in value. The invoice will be sent to the individual who received the pension/lump sum payment.

6.5. Managing overpayments of pension following an incorrect rate of pension entitlement being paid by the Fund and it can be said that the member cannot have known of the overpayment

6.5.1 The table below illustrates how an overpayment of a member's pension can occur without the member being aware. It should be noted that the table below is not an exhaustive list;

	Type of overpayment	How overpayment has occurred
1	Administration error upon calculation and notification of benefit entitlement (includes dependants' pensions and Pension Credit members)	Incorrect (overstated) rate of pension inputted onto payroll record and member informed in writing of the, incorrect, rate of pension to be paid.
2	Administration error upon calculation and notification of pension scheme lump sum entitlement	Incorrect (overstated) pension scheme lump sum paid to the member and member informed in writing of the incorrect lump sum to be paid

3	Pensions Increase	Pensions Increase inaccurately applied to the elements of a pension in payment.

6.5.2 In these circumstances the Fund will generally seek to recover monies that are greater than £250.00 gross in value unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part).

6.5.3 The amount will be recovered from the scheme member's ongoing pension as this allows for the appropriate adjustment for tax. The pension will also be reduced to the correct level for the next available monthly pension payment after a 6 week notice period. The scheme member will be notified in writing of the error and the course of action to be taken.

6.5.4 Where there is no ongoing pension from which to deduct the overpaid amount, or an overstated pension scheme lump sum has been paid, an invoice will be arranged by the Fund to recover any overpayment which is greater than £250.00 in value. The invoice will be sent to the individual who received the pension/lump sum payment.

6.6. Overpayments resulting from an error with Guaranteed Minimum Pension (GMP)

6.6.1 Overpayments can also occur as a result of an incorrect or non-application of the GMP element of a member's pension as detailed in the table below.

1	GMP not included in the pension being paid	New information from HMRC or a review of the member's record shows that a GMP should have been included within the pension but has not. Due to the different way cost of living increases are applied to GMP and the excess over GMP, means that, overall, a lower level of pensions increase should have been paid.
2	Incorrect level of GMP being paid	New information from HMRC or a review of the member's record leads to a revised rate of GMP to be used which, due to the different way cost of living increases are applied to GMP and the excess over GMP, means that, overall, a lower level of pensions increase should have been paid.
3	GMP not accurately split between pre 88 and post 88	New information from HMRC or a review of the member's record shows that a GMP has not been apportioned correctly. Due to the different way cost of living increases are applied to pre 88 GMP and post 88 GMP, means that, overall, a lower level of pensions increase should have been paid.

6.6.2 The application of GMP to a member's pension requires a high degree of technical understanding that can only reasonably be expected of a pensions practitioner. As such, and where there has been no explicit communication to the member that would mean that they could have known that their pension was being paid incorrectly as a result of the non or misapplication of GMP, the overpayment of any value should be written off without the requirement for authorisation as detailed in 9.1.

6.6.3 The pension will be reduced to the correct level for the next available monthly pension payment after a 6 week notice period. The scheme member will be notified in writing of the error and the course of action to be taken.

6.7. Recovery of member overpayments

6.7.1 The Limitation Act 1980 states that "*An action founded on simple contract shall not be brought after the expiration of six years from the date on which the cause of action accrued*". However, section 32(1) of the Act effectively 'postpones' the date by which an administering authority may make a claim to recover monies in certain circumstances. It states "*the period of limitation shall not begin to run until the plaintiff has discovered the fraud, concealment or mistake (as the case may be) or could with reasonable diligence have discovered it*". The potential effect of section 32(1) in relation to any overpayment and its recovery will be considered on a case-by-case basis.

6.7.2 Therefore the Fund will generally seek to recover overpayments that have been discovered within the last 6 years with the relevant postponement applied if applicable in line with the Limitation Act unless there are legal reasons and/or other circumstances which mean that the overpayment may not, in practice, be able to be recovered (in whole or in part).

6.7.3 Examples of limitation periods and how they operate in relation to overpayments are included in appendix 1 of this policy.

6.7.4 The Fund will allow a pension overpayment to be recovered over the same amount of time as the overpayment occurred. For example, if overpayments were made over a 3-month period, the recovery period to repay the overpayment will be over 3 months. In the event that reasonable arguments are advanced that the recovery period should be extended, the Fund can at its discretion allow an extension based on the individual's circumstances. Should a mutual agreement not be arrived at, the member should follow the internal dispute resolution procedure for resolution.

6.7.5 It should be borne in mind that where the Fund seeks to recover overpayments, there may be arguments raised as to why the overpayment should not be recovered, for example where the repayment could result in financial hardship (in whole or in part). These will need to be considered on a case-by-case basis and, if successful, may affect the ability of the Fund to recover the overpayment (in whole or in part).

6.8. Reporting to the HM Revenue and Customs and effects on the Fund and individual

6.8.1 Administering authorities are obliged to correct any error they discover within a reasonable period of time. To do otherwise would render payments unauthorised under Section 14 of the Registered Pension Scheme (Authorised Payments) Regulations 2009. The HM Revenue and Customs have a clear steer with regards to timing, in so much that "*When a scheme discovers an overpayment it immediately becomes unauthorised and is subject to an unauthorised tax charge*".

6.8.2 Regulation 13 states that a payment made in error will be an authorised payment if the:

- payment was genuinely intended to represent the pension payable to the person.
- administering authority believed the recipient was entitled to the payment and.
- administering authority believed the recipient was entitled to the amount of pension that was paid in error.

6.8.3 In addition to the above, there is a further exemption where the overpayment is a 'genuine error' and the aggregate overpayment (paid after 5th April 2006) is less than £250. In such circumstances, if the overpayment is not recovered it remains an unauthorised payment but it does not have to be reported to HM Revenue and Customs and HM Revenue and Customs will not seek to collect tax charges on it.

6.8.4 Examples of HM Revenue and Customs 'genuine errors' are in appendix 2 of this policy.

6.8.5 The Finance Act 2004 also sets out a list of the payments which a registered pension scheme is authorised to make to members. Payments which do not fall within the list will become unauthorised payments and could result in up to three tax charges applying: 1) an authorised payments charge on the recipient of the payment; 2) an unauthorised payments surcharge on that recipient; and 3) a scheme sanction charge on the scheme.

6.8.6 Payments made in the period between notifying the member of an overpayment and the point at which the correction to the right level of pension is made will be regarded under the above legislation as an unauthorised payment. If the total amount of pension paid at the incorrect rate from point of notification to date of reduction to the correct rate is greater than £250 (gross) it would be subject to tax charges 1) and 3) and possibly 2 as set out in section 6.8.5.

6.9. Overpayments due to Fraud or Corruption

6.9.1 On rare occasions members' benefits may be overpaid due to fraud by the member, the deceased member's survivor or a representative responsible for administering their estate, the employer, a pensions officer or other criminal activity such as blackmail. Should this occur, the pension will be suspended, and an attempt will be made to recover the overpayment of pension and lump sum immediately.

6.9.2 The Cambridgeshire County Council's internal fraud team will be notified, and any additional steps taken as necessary.

6.10. Prevention

6.10.1 The Fund has in place processes in order to minimise the risk of overpayments occurring.

6.10.2 The National Fraud Initiative is conducted every two years; it compares files of pensioners with the Department for Work and Pensions database of the deceased and highlights matches for investigation. Cambridgeshire Pension Fund actively participates in this initiative.

6.10.3 Cambridgeshire Pension Fund participates in overseas life existence checks to ensure only legitimate pensions are being paid and to reduce the likelihood of fraudulent activity.

6.10.4 A report is run periodically on the pension administration system to identify individuals in receipt of a child's pension, further investigations are then carried out for children that are identified as over the age of 18 to ensure they are still entitled to receive a pension.

6.10.5 Cambridgeshire Pension Fund includes reminders in its correspondence that the Fund must be advised of changes in circumstances or the death of a scheme member. The Fund also investigates any returned pensioner payslips and pension payments returned by banks and building societies to ensure the welfare of the scheme member and to protect payment of the Fund's money.

6.10.6 Fund officers have a robust system in place for identifying changes to the payroll that need to be processed for a particular payroll month. The process incorporates payroll deadlines and ensures changes are made in a correct and timely manner. This would be in circumstances such as a change from a short-term dependant's pension to a long term pension.

7. Employer and Miscellaneous Debt Management

7.1. Monthly Contributions, Deficit Contributions, Strain Costs and Unfunded Pensions

7.1.1 The Pensions Act 1995 and Regulation 16 of the Occupational Pension Scheme Regulations 1996 stipulate that employee pension contributions deducted must be paid to the Pension Fund no later than the 22nd day of the month following the payroll deduction (or 19th if paying by cheque). Regulation 69 of The Local Government Pension Scheme Regulations 2013 provides that the Administering Authority may determine deadline dates for the receipt of payments from scheme employers, and this includes employee and employer pension contributions. In relation to the payment, and receipt, of employee pension contributions it is the Fund specific deadline which must be met by scheme employers.

7.1.2 The Cambridgeshire Pension Fund Payment of Employee and Employer Pension Contributions Policy sets the deadline date referred to in Regulation 69 as it applies to both employee and employer pension contributions. The Policy requires that these contribution payments are received by the 19th day of the month following deduction of the employee pension contributions. This deadline provides consistency and allows for any technical issues. Pension and Finance Officers closely monitor contribution payments to ensure all Scheme Employers adhere to these requirements. Failure to make payment of contributions may result in the Fund reporting the Scheme Employer to The Pensions Regulator, who may investigate and potentially issue a fine to the Scheme Employer. Employer.

7.1.3 The payment of employer deficit contributions is preferred on a monthly basis or are payable by the end of September in the year in which they are due if paying annually.

7.1.4 Employer strain costs are invoiced each month with a payment term of 30 days. Unfunded pension recharges are invoiced on an annual basis.

7.1.5 All of these types of debt will be chased within the usual debt recovery process. However, any unpaid amounts of this type will be reported in the next Fund Valuation and will have a negative impact on the Scheme Employer's funding position, potentially resulting in a less favourable future employer contribution rate.

7.2 Recharges and Miscellaneous Debt

7.2.1 Where the Fund invoices a company who is not a participating employer, invoices are raised with a payment term of 30 days. If payment is not made, the Council's full debt recovery process will be followed. If the process is exhausted and the debt remains unpaid, then enforcement proceedings may be initiated.

7.2.2 These types of debt could include invoices to other Local Authorities for unfunded pension recharges and recharges of Actuary Fees. Actuary recharge fees are set out in the schedule of works that must be completed by the instructing authority before any work is undertaken.

7.2.3 If the debt is owed by an Admission Body, who received a guarantee from a participating Scheme Employer, the Fund may seek to recover the debt from the relevant Scheme Employer, if the Admission Body fails to make payment.

7.2.4 If the debt is the result of divorce proceedings, a schedule of charges is issued in line with the Pensions on Divorce (Provisions of Information) Regulations 2000 at the onset of work being undertaken and an invoice is raised with a payment term of 30 days.

7.2.5 Any debt that has arose due to incorrect payment of expenses, will be recovered by raising an invoice with a payment term of 30 days.

7.3. Recovery of debts

7.3.1 The Fund will seek to recover debts within the standard 30-day payment term with the exception of secondary contribution rates which would be considered late if not fully paid by the end of the financial year.

7.3.2 There may be some circumstances where debts are not recoverable due to reasons such as:

- The debt is over 6 years (limitations act)
- There is a bankruptcy order in place
- Recovery action is not possible for overseas debtors
- A company has gone into liquidation/administration/receivership
- The debtor has become untraceable
- The debt is uneconomical to pursue.

7.3.3 All cases will be reviewed in line with the Council's delegation as listed in section 9.

8. Claims of inability to repay overpayments

8.1 In cases where it is claimed that an overpayment cannot be repaid, officers of the Fund will enter into negotiations with the scheme member/next of kin and an analysis of the cost effectiveness of pursuing the overpayment will be undertaken on a case-by-case basis. For large overpayments, where appropriate, the Fund will seek legal advice. This approach will reduce the number of Internal Dispute Resolution Procedures applications and referrals to the Pensions Ombudsman.

8.2 For any cases that do reach the Pensions Ombudsman, Cambridgeshire Pension Fund would have demonstrated engagement and negotiation with the complainant. All applications made to write off of an overpayment will be investigated on a case by case basis and final decision will be made by the appropriate officer listed in section 9.

8.3 The Cambridgeshire Pension Fund has authority to automatically write off any overpayment amount up to £250.00 in line with HM Revenue and Customs authorised payments limits and analysis of the cost effectiveness of pursuing amounts up to this value.

8.4 Aged employer and miscellaneous debts will be monitored quarterly and recovery action exhausted appropriate to the value of the debt. Where the chance of successful recovery is low, the cost of recovery exceeds the benefit of recovery or all legal avenues for have been exhausted, the Fund may seek to write off the debt. All unpaid debts will be investigated on a case by case basis and final decision will be made by the appropriate officer listed in section 9.

8.5 Aggregated overpayment/debt amounts that are deemed to be material to the Fund will be raised with the s151 Officer and Pension Committee by the Head of Pensions.

9. Authority to write off overpayments

9.1 In line with Cambridgeshire County Council's Scheme of Delegation, the Fund will apply the following levels of authority when writing off overpayments/debts:

Total value of overpayment/debt	**Authority to write off overpayment/debt**
No more than £250.00 (gross) on death of a pensioner and any other overpayment type	Officers
Up to no more than £5,000 (gross)	Head of Pensions (in the absence of the Head of Pensions authority will move to the Cambridgeshire County Council Section 151 Officer)*
Up to no more than £24,999.99 (gross)	Cambridgeshire County Council Section 151 Officer *
£25,000+ (gross)	Cambridgeshire Pension Fund Pension Fund Committee *
*Subject to a full evidence-based report produced by Officers of the Fund	

Appendix 1 – Limitation Period Examples

Scenario	Limitation Period	Overpayment Period which can be claimed*
• Overpayments began in April 2013 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in August 2015 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for period between April 2013 and August 2015 • Formal claim** for recovery made in January 2020 (the Cut Off Date as referred to in *Webber v Department for Education*)	• No issues in principle with the Limitation Period as formal claim for recovery commenced within 6 year period after the Discovery Date • Claims are therefore valid and should proceed	• Overpayments back to when they began in April 2013 until August 2015 may be claimed (based on the assumption that the overpayment was discovered in August 2015, if not discovered at this time the overpayment period would be longer).
• Overpayments began in April 2008 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in November 2014 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made from April 2008 to November 2014 • Formal claim for recovery made in December 2016 (the Cut Off Date as referred to in *Webber*)	• No issues in principle with the Limitation Period as formal claim for recovery commenced within 6 year period after the Discovery Date • Claims are therefore valid and should proceed	• Overpayments back to when they began in April 2008 until November 2014 may be claimed (based on the assumption that the overpayment was discovered in November 2014, if not discovered at this time the overpayment period would be longer).

Scenario	Limitation Period	Overpayment Period which can be claimed*
• Overpayments began in January 2004 (the first Mistake Date) • Overpayments discovered or could have been discovered with reasonable due diligence in September 2021 (when the date was received from HM Treasury in relation to the GMP equalisation exercise) (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for the period from January 1999 to September 2021 • Formal claim for recovery made in February 2022 (the Cut Off Date as referred to in *Webber*)	• No issues in principle with the Limitation Period as formal claim for recovery commenced within 6 year period after the Discovery Date • Claims are therefore valid and should proceed	• Overpayments back to when they began in January 2004 until September 2021 may be claimed (based on the assumption that the overpayment was discovered in September 2021, if not discovered at this time the overpayment period would be longer).
• Overpayments began in April 2011 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in August 2014 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for period between April 2011 and August 2014 • Formal claim for recovery made in January 2022 (the Cut Off Date as referred to in Webber)	• Issue with the Limitation Period as formal claim for recovery commenced more than 6 years after the Discovery Date • Claims are therefore out of time and should not proceed	• Overpayments cannot be claimed back as the formal claim for recovery was made more than 6 years after the Discovery Date (based on the assumption that the overpayment was discovered in August 2014, if discovered after this time a period of reclaim maybe applicable).

Scenario	Limitation Period	Overpayment Period which can be claimed*
• Overpayments began in April 2011 (the first Mistake Date) • Overpayments discovered, or could have been discovered with reasonable due diligence, in August 2014 (the Discovery Date under Section 32 of the Limitation Act 1980) • Overpayments made for period between April 2011 and August 2021 • Formal claim** for recovery made in January 2022 (the Cut Off Date as referred to in *Webber*)	• Issue with the Limitation Period as formal claim for recovery commenced more than 6 years after the Discovery Date • Claims for overpayments between April 2011 and January 2016 are therefore out of time and should not proceed • However, as each monthly overpayment is a separate overpayment, the effect of the Webber case is that overpayments made in the 6 years prior to the Cut Off Date (i.e. the overpayments made in February 2016 to August 2021) can be recovered	• Overpayments for the period April 2011 to January 2016 cannot be claimed back as the formal claim for recovery was made more than 6 years after the Discovery Date. • Overpayments for the period February 2016 to August 2021 may be reclaimed. (based on the assumption that the overpayment was discovered in August 2014, of discovered after this time the overpayment period would be longer).

* whilst this refers to the period which can be claimed, this is not the same as the period which will definitely be recovered in light of the other defences which are available to scheme members who face such claims for repayments of overpayment.
** reference to formal claim in this appendix means the commencement of formal proceedings to recover the overpayment.

Appendix 2 - Examples of HM Revenue and Customs 'genuine errors'

Genuine error - example 1

Apart from the case of pensions continuing under a 'term certain' guarantee, pensions are supposed to stop accruing on the death of the pensioner. If payments that accrued inappropriately after the death continue to be made, they will be unauthorised unless they fall within the limited conditions of regulation 15 of The Registered Pension Schemes (Authorised Payments) Regulations. The main feature of those conditions is that instalments can be paid within 6 months of the member's death providing the payer was reasonably unaware the pensioner had died.

Clearly then, once the 6 month time limit has passed, the tax rules will regard any future instalments as unauthorised member payments, and the fact the payer might remain unaware of the member's death does not change the essential character of any payment made. When the death comes to light the payer can see that the payments made more than 6 months after death were made in error.

Genuine error - example 2

The tax rules normally require that a pension being paid to a dependent who is child of a deceased member must stop when the recipient reaches age 23. If the recipient does not qualify for any of the exceptions that would allow for the continuation of their pension after that time, for example because of a disability, then the payer must make adequate arrangements to stop the pension in time. To this end they may give a clear and timely warning to the bank to stop payments from the necessary date but it can happen that the bank fails to act on those instructions and payments continue to be made in error.

In both of these examples, if the error was spotted and rectified (pension overpayments were repaid) as soon as reasonably possible, the inadvertent pension instalments (in the case of Example 1, only in respect of the instalments paid after the 6 month limit where the conditions otherwise apply) would not be unauthorised member payments.

However, there would be an unauthorised member payment if, despite the error being spotted, it is decided the repayment of the inadvertently overpaid pension instalments will not be pursued or the scheme does attempt recovery (in the case of Example 1, only in respect of the instalments paid after the 6 month limit where the conditions otherwise apply) but is unsuccessful and eventually decides to write off the overpayment (even though the decision might be taken on administration costs grounds or out of sensitivity). The exception to this will be if - as may often be the case - one of the categories of authorised payments introduced by the Registered Pension Schemes (Authorised Payments) Regulations 2009 can then be looked to in relation to payments made in genuine error but left in place.

The date of the unauthorised payment for the purpose of having to make a report of that payment would be the date that the decision is made not to seek recovery of the overpayment or the date the decision is taken to no longer seek recovery of the overpayment, as the case may be.
Where the overpayment is not pursued or, otherwise, not successfully pursued and the total of such overpaid pension instalments paid after 5 April 2006 (overpaid instalments paid before 6 April 2006 do not count for this purpose) to, or in respect of, a particular member does not exceed £250:

- for its own reasons of cost administration, under its Collection and Management powers, HM Revenue & Customs will not seek to collect the tax that, in strictness, is due in respect of the unauthorised payment (although the payment remains an unauthorised payment), and

- the scheme administrator does not have to report the unauthorised payment to HM Revenue & Customs, and

- the unauthorised payment does not have to be returned on the recipient's Self-Assessment tax return or, otherwise, be notified to HM Revenue & Customs.

If the aggregate overpayment exceeds £250, then all of the overpayment is chargeable as an unauthorised payment (i.e. one cannot deduct £250 as if it were an allowance, which it is not).

For this purpose, the £250 threshold applies to the aggregate of the overpayments actually received by, or in respect of, the member.

Where the conditions would otherwise apply in respect of pension instalments paid later than 6 months after the death of a pensioner except that the pension instalments have been paid later than 6 months after the pensioner's death, the £250 threshold applies in respect of the aggregate of the pension instalments paid after the expiry of the 6 month time limit only. The pension instalments paid up to the 6 month time limit would not be.

Overpayment of lump sums

The conditions described above apply equally where an overpayment of a lump sum occurs, such as a pension commencement lump sum or serious ill-health lump sum. So the limit of £250 will apply, but any lump sum in excess of that amount, where recovery cannot be made, will be an unauthorised payment to the extent that the amount is not an authorised payment.

For example, a pension commencement lump sum of £100,000 is due to be paid under the scheme rules, but £105,000 is paid in error. The scheme administrator is unable to affect a recovery of the excess. Under the tax rules, the pension commencement lump sum of £100,000 is the permitted maximum, so the whole excess of £5,000 is an unauthorised payment (i.e. one cannot deduct £250 as if it were an allowance, which it is not).

Note that a payment of a lump that is intended to be a pension commencement lump sum but ends up exceeding the permitted maximum may still be an authorised member payment if certain conditions are met.

Example

A pension commencement lump sum must be paid within an 18 month period starting 6 months before and ending 12 months after the member becomes entitled to the lump sum and linked pension. However, due to an error within the administration department of the pension scheme, the lump sum payment is not made by that deadline. If the lump sum is paid after the deadline it will not be a pension commencement lump sum and (unless it falls within the definition of one of the other authorised lump sums) will be an unauthorised member payment.

CAMBRIDGESHIRE PENSION FUND

Agenda Item No:

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk
Subject:	Cambridgeshire Pension Fund - General Code of Practice Compliance (regulatory)
Purpose of the report:	To present to the Pension Fund Committee a report on the compliance of the Cambridgeshire Pension Fund against The Pension Regulator's (TPR) General Code of Practice (regulatory).
Recommendations:	The Pension Committee is asked to note the regulatory compliance check against the General Code of Practice.
Reasons for Recommendation:	• To ensure adequate oversight of the regulatory compliance against the General Code of Practice. • To ensure adequate transparency of the governance of the Fund, ensuring that the Fund is meeting its statutory requirements.
Enquiries to:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk

1. Background

1.1 On 28 March 2024, TPR's General Code of Practice came into force. The Code consolidated ten of the previous codes of practice into one including Code of Practice No.14. The General Code of Practice can be found here.

2. Executive summary

2.1 The report contains the results of the compliance check against the Pension Regulator's General Code of Practice regulatory requirements.

2.2 The Code is split into 51 modules covering 5 areas as follows:

- The Governing Body
- Funding and Investment
- Administration
- Communication and Disclosure
- Reporting to TPR.

2.3 The review demonstrates that the Cambridgeshire Pension Fund is compliant with the regulatory requirements of the Code, with only two partially met areas identified from the 14 modules (risk management and information to members). Detail of the Fund's compliance is located in 3.2 and the action plan to achieve full compliance in the two areas identified is located in 3.4.

3. Issues and choices

Cambridgeshire Pension Fund Code of Practice Compliance Review (regulatory)

3.1 Whilst the LGPS is generally regarded as a well governed scheme, the introduction of the Code provides the opportunity for funds to reassess their own systems of governance, address any gaps identified and, and look to add value and enhance current arrangements.

3.2 Below is a summary of compliance against the 14 modules that apply to the LGPS, a chart demonstrating the aggregated position can also be located in appendix 1:

The Governing Body		
Board Structure and activities	8 regulatory requirements	All fully met the compliance standards.
Governance of knowledge and understanding	3 regulatory requirements	All fully met the compliance standards.
Advisors and Service Providers	No regulatory requirement	N/A
Risk Management	5 regulatory requirements	4 requirements fully met the compliance standards. 1 requirement was partially compliant with one action to be

		undertaken as detailed in section 3.4 below.
Scheme Governance	1 regulatory requirement	Fully met the compliance standard.
Funding and Investment		
Investment	No regulatory requirement	N/A
Administration		
Scheme Administration	1 regulatory requirement	Fully met the compliance standard.
Information handling	7 regulatory requirements	All fully met the compliance standards.
IT & Cyber Security	1 regulatory requirement	Fully met the compliance standard.
Contributions	2 regulatory requirements	All fully met the compliance standards.
Communications and Disclosure		
Information to members	8 regulatory requirements	7 requirements fully met the compliance standards. 1 requirement was partially compliant with one action to be undertaken as detailed in section 3.4 below.
Public Information	5 regulatory requirements	All fully met the compliance standards.
Reporting to TPR		
Regular reports	3 regulatory requirements	All fully met the compliance standards.
Reporting Breaches	4 regulatory requirements	All fully met the compliance standards.

3.3 The assessment scorecard containing details of each requirement can be located in appendix 2.

Actions to be undertaken

3.4 As indicated above there were two regulatory requirement that failed to meet full compliance in risk management and information to members as detailed below:

Module	**Regulatory requirement**	**Action**	**Due date**
Risk Management	Partial compliance – Regarding the pension board, scheme managers of public service pension schemes should: - Circulate the register of interests and the other	The Fund has in place a register that captures interests and potential conflicts. This had not been shared with Board or published prior to the review	Completed.

Module	Regulatory requirement	Action	Due date
	relevant documents to the pension board for ongoing review - Publish these documents (for example, on a scheme's website)	but both actions have now been undertaken.	
Information to members	Partial compliance - Where a member has a right to a cash transfer sum or a contribution refund the information in s101AC of the Pension Schemes Act 1993 must be provided within a reasonable period.	Processes are in place to identify leavers who are entitled to either a refund or refund and cash transfer sum quote and appropriate workflow is allocated. However, there is no reporting in place to establish whether all cases are meeting the requirement. The Annual Report guidance developed by CIPFA, and SAB has identified the need to report on refund payment cases and this is currently in development. Reporting will also be developed wider to address the notification stage of this process and the intention to have a KPI in place by December 2024, with reporting against the KPI to be delivered thereafter.	December 2024.

Independent review

3.5 The Hymans Robertson General Code of Practice compliance checker tool was used to assess compliance against the regulatory requirements of the Code. In addition, Hymans conducted an independent desk top exercise following the completion of the tool to ensure that the evidence was adequate, and that the compliance position reached by Officers was reflective of the evidence provided. As a result of the review two further activities were identified that do not impact the regulatory compliance but would be worth the Fund considering for additional assurance:

1) To consider an independent assessment of the Internal Dispute Resolution Procedure – the Pension Regulator states that governing bodies should, regularly assess the effectiveness of the dispute procedure and be satisfied that those following the process are complying with the requirements set, which includes effective decision making.

2) To consider whether knowledge assessments/confidence assessments should be undertaken to further enhance evidence surrounding knowledge and understanding.

Next steps

3.6 Due to the comprehensive review required against each module, the regulatory requirements have been assessed in advance of the Pensions Regulator expectations and best practice to ensure compliance with statutory obligations as priority.

3.7 Now that the first part of the review has been undertaken, the next stage is to review the 62 TPR expectations and 26 best practice requirements. A report will be brought back to the Committee with the results by the end of the financial year.

3.8 The Committee will be updated with progress against any actions identified.

3.9 Annual reviews against the Code will be conducted to ensure compliance remains fully met.

4. Relevant Pension Fund objectives

The following objectives as per the Business Plan have been considered in this report -

4.1 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.

4.2 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.

4.3 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.

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 Officers conducted the review using the Hymans Robertson compliance checker tool. Hymans subsequently analysed the Funds results for objectivity.

5.2 Legal

5.2.1 Failure to assess requirements against the Code could result in statutory obligations being missed.

5.3 Risk management

5.3.1 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 provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green
Failure to understand and monitor risk compliance.	Green
Failure to recognise and manage conflicts of interest.	Green

Risk	Residual risk rating
Failure to administer the scheme in line with regulations and guidance.	Green
Failure to act appropriately upon expert advice and/or risk of poor advice.	Green

5.3.2 The Fund's full risk register can be found on the Fund's website at the following link:

Cambridgeshire Risk Register

5.4 Consultation

5.4.1 Not applicable.

6. Background papers

6.1 None.

7. Appendices

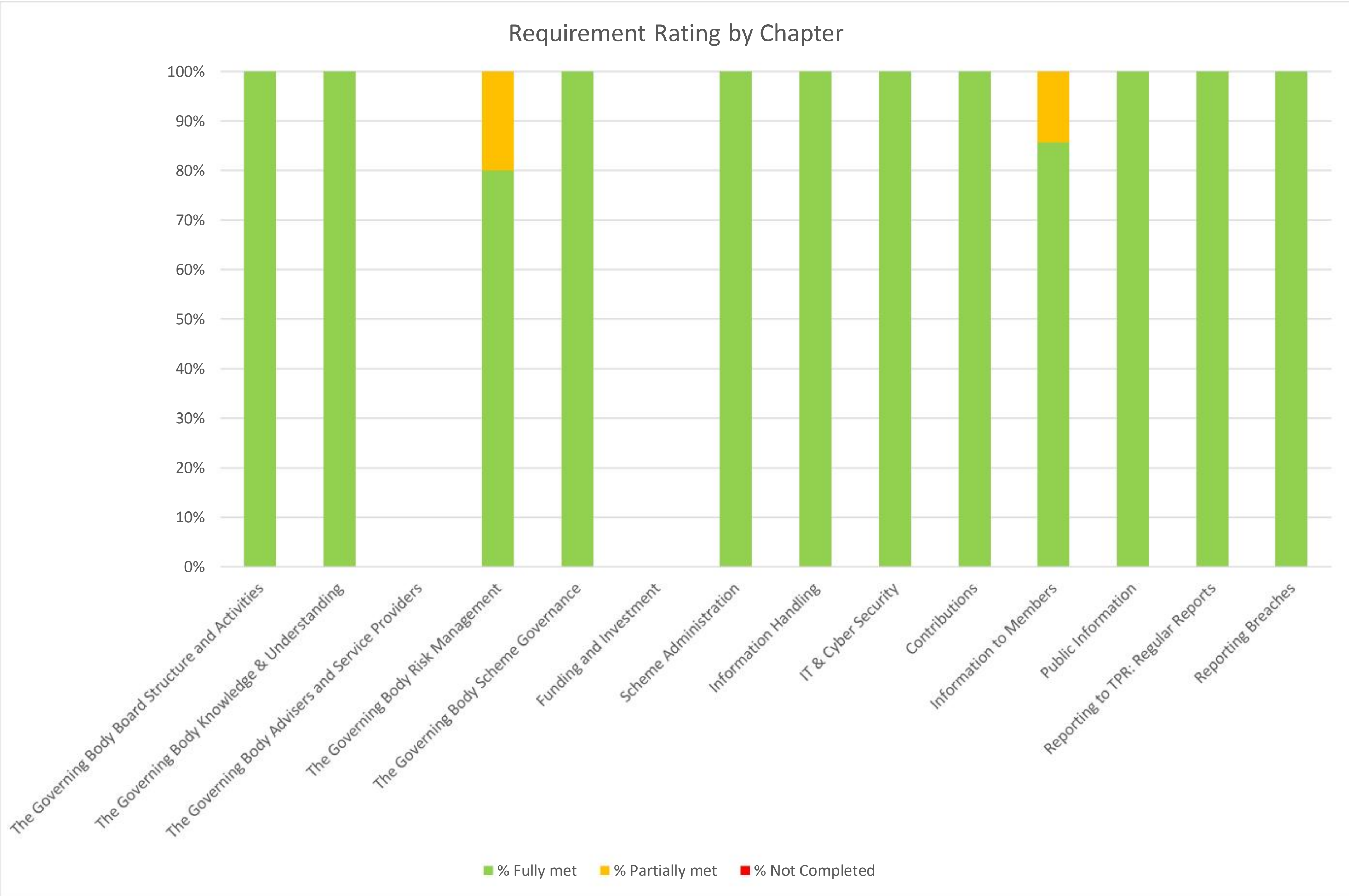
7.1 Appendix 1 - Aggregate regulatory position for each module (fully met", "partially met" or not completed).

7.2 Appendix 2 - Scorecard summary of regulatory compliance.

8. Accessibility

8.1 The information contained in this report and appendices is available in accessible format on request from michelle.oakensen@westnorthants.gov.uk

Appendix 1 – Aggregate position for each module (regulatory) when the individual requirements are assessed as either “Fully met”, “Partially met” or Not completed”.



Appendix 2 – Scorecard Assessment

The following gives an overview of the current compliance position against the General Code of Practice.

The Governing Body: Board Structure and Activities **Regulatory requirements**	**Current rating**
The governance of a public service pension scheme will need to take into account the differing responsibilities of the scheme manager, pension board and, where appropriate, pension committee.	Fully met
The pension board must have an equal number of employer and member representatives.	Fully met
Legislation dictates how the governing body of a PSPS is made up and pension board members must not have a conflict of interest and must evidence such if required by the scheme manager.	Fully met
To have a process in place for appointing pension board members.	Fully met
Schemes will have governing bodies where appointments are made in accordance with scheme specific legislation. The governing body, or pension board, should seek to inform those making the appointment of the expectations and any legislative requirements placed on members of the governing body.	Fully met
Scheme managers of PSPS are required to establish and operate internal controls, which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules, and with the requirements of the law. This applies to the running of meetings and making decisions.	Fully met
Meeting arrangements and decision making should comply with the requirements of The Local Government Act 1972 and Local Government and Housing Act 1989.	Fully met
The pension board should maintain a record of the specified records which are shown in Appendix 3.	Fully met
The Governing Body: Knowledge & Understanding **Regulatory requirements**	**Current rating**
Pension board members must be conversant with - The rules of the scheme, and - Any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme. And have knowledge and understanding of -The law relating to pensions, and - Such other matters as may be prescribed.	Fully met
Demonstrate that, as a group, the pension board possess the skills, knowledge, and experience to run the scheme effectively.	Fully met
To enable the pension board to ensure their knowledge and understanding is established and maintained, members of a governing body should comply with the points laid out in Appendix 6.	Fully met
The Governing Body: Risk Management **Regulatory requirements**	**Current rating**
Scheme managers of public service pension schemes are required to establish and operate internal controls, which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules and with the requirements of the law.	Fully met
The scheme manager should have in place internal controls, including; - The arrangements and procedures to be followed in the administration and management of the scheme	Fully met

- The systems and arrangements for monitoring that administration and management, and - Arrangements and procedures to be followed for the safe custody and security of the assets of the scheme.	
A scheme's internal controls should be reviewed at least annually. However, the review of controls can be staggered if they address different areas of a scheme's operations or governance.	Fully met
Regarding the pension board, scheme managers of public service pension schemes must: - Be satisfied that a prospective member of the pension board does not have a conflict of interest - Remain satisfied that none of the members of the pension board has a conflict of interest	Fully met
Regarding the pension board, scheme managers of public service pension schemes should: - Circulate the register of interests and the other relevant documents to the pension board for ongoing review - Publish these documents (for example, on a scheme's website)	Partially met
The Governing Body: Scheme Governance	**Current rating**
Scheme managers are required to establish and operate internal controls, which are adequate for securing that the scheme is administered and managed in accordance with the scheme rules and with the requirements of the law. Internal controls means; - Arrangements and procedures to be followed in the administration and management of the scheme, - Systems and arrangements for monitoring that administration and management, and - Arrangements and procedures to be followed for the safe custody and security of the assets of the scheme;	Fully met
Administration: Scheme Administration **Regulatory requirements**	**Current rating**
Every scheme must operate internal controls which should include administration.	Fully met
Administration: Information Handling **Regulatory requirements**	**Current rating**
The governing body should maintain the following records; - Records of member and beneficiary information - Records of transactions - Records of pension board meetings and decisions (for further information see Appendix 23)	Fully met
The scheme manager is required to establish and operate internal controls, which are adequate for the purpose of securing that the scheme is administered and managed in accordance with the scheme rules, and with the requirements of the law. Governing bodies should make sure financial transactions are managed as part of their internal controls.	Fully met
When deciding to grant statutory transfers, governing bodies must carry out appropriate checks to decide if one of the conditions for transfer are met.	Fully met

The governing body must provide the statement of entitlement within approximately three months of receiving the request, unless this information has been provided in response to a request in the previous 12 months	Fully met
Before paying a transfer s the governing body must check that the receiving scheme is; – Able to accept the transfer – Willing to accept the transfer – A scheme to which a transfer can be made under the relevant legislation	Fully met
The governing bodies of DB schemes that receive a request to transfer or convert safeguarded benefits of £30,000 or more, must check the scheme member (or survivor) has received appropriate independent advice.	Fully met
Governing bodies are required to complete transfers within six months. For DB benefits, this is measured from the guarantee date provided in the statement of entitlement.	Fully met
Administration: IT & Cyber **Regulatory requirements**	**Current rating**
Scheme managers should establish adequate internal controls in relation to any regulatory or legal obligations in respect of cyber risk.	Fully met
Administration: Contributions **Regulatory requirements**	**Current rating**
Employee Contributions must be paid to the scheme by day 19 of the following month, or day 22 if paid electronically.	Fully met
Employer contribution payments must be paid by the date specified in the scheme rules, regulations, or documentation.	Fully met
Communications and Disclosure: Information to Members **Regulatory requirements**	**Current rating**
The scheme manager should comply with the requirements of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013.	Fully met
Scheme managers must provide all active members with an annual benefit information statement. They may also be required to provide a benefit information statement to certain types of members on request.	Fully met
For active members the scheme manager must: - Include a description of the benefits earned by members during their pensionable service - Issue the annual statement by no later than 31 August of the year following the period to which the statement relates - Comply with any HM Treasury directions, in terms of any other information that must be included and the way it must be provided to members.	Fully met
For active, deferred, or pension credit members the scheme manager must: - Provide a benefit information statement following a request for one, if the information has not been provided to that member in the previous 12 months - Issue a benefit information statement as soon as possible following a valid request for one, and within two months - Include the information required by law in any benefit information statement.	Fully met
For members with defined contribution (DC) benefits, scheme managers must: - provide a benefit information statement regarding their DC benefits to every member within 12 months of the end of the scheme year (irrespective of whether they also have DB benefits) - include the information required by law in any benefit information statement.	Fully met

Where the applicable public service scheme regulations require additional benefit information to be provided to members, or for statements to be given at shorter intervals than set out above, those scheme regulations will also apply.	Fully met*
Where a member has a right to a cash transfer sum or a contribution refund the information in s101AC of the Pension Schemes Act 1993 must be provided within a reasonable period.	Partially met
When processing a transfer, governing bodies must check that at least one of the conditions for the transfer to proceed is met (see Transfers out module within Information Handling section of this checker).	Fully met
Communications and Disclosure: Public Information **Regulatory requirements**	**Current rating**
Scheme managers must publish certain information about the pension board and keep that information up to date. The scheme manager must publish and maintain: - The names of pension board members - Details about the representation of scheme members on the pension board - Details of the matters for which the pension board is responsible.	Fully met
Governing bodies must put formal procedures and processes in place to investigate and decide upon pension scheme disputes quickly and effectively These processes must be followed to resolve various matters.	Fully met
Where a person no longer has an interest in the scheme or claims to be such a person, governing bodies must ensure their scheme's procedures allow a reasonable period for that person or their representatives to make their applications. The reasonable period in these circumstances is six months beginning on the date their interest in the scheme stopped. Governing bodies can accept an application outside of this timeframe if they believe it is appropriate.	Fully met
In relation to dispute resolution processes, governing bodies must: - Provide their internal dispute resolution procedure to: – prospective members if it is practicable to do so – any scheme members who have not been given the information – certain people who request the information and who have not been given that information in the previous 12 months – members or prospective members when schemes receive jobholder information, or when a jobholder becomes an active member, in connection with automatic enrolment.	Fully met
The governing body must provide information about the Money and Pensions Service and the Pensions Ombudsman to the complainant at certain stages of the dispute.	Fully met
Reporting to TPR: Regular reports **Regulatory requirements**	**Current rating**
Each scheme manager must ensure it has provided TPR with all registrable information Given the LGPS is already established it is assumed this registration is already in place.	Fully met

Appendix 2 – Scorecard Assessment

Each scheme manager must ensure it has provided TPR with any changes to its registrable information within 5 working days of the administering authority being aware of the change.	Fully met
Each scheme manager must provide an accurate annual scheme return to TPR.	Fully met
Reporting to TPR: Reporting Breaches **Regulatory requirements**	**Current rating**
Report breaches of the law when: - A legal duty which is relevant to the administration of a scheme, has not been, or is not being, complied with, and - The failure to comply is likely to be of material significance.	Fully met
Breaches must be reported if they are likely to be of 'material significance' to TPR in carrying out any of their functions.	Fully met
Breaches of the law must be reported as soon as reasonably practicable.	Fully met
Where contributions are not paid on time, and the governing body has reasonable cause to believe that the payment failure is likely to be of material significance to TPR they should send a written report of the matter to TPR.	Fully met

*MHCLG laid the LGPS (Information) Regulation 2024 on 28 August 2024. The regulations come into force on 23 September 2024, with backdated effect to 1 October 2023. This change to regulation means that the Fund is compliant for the 2023/24 annual benefit statements which had to be issued before 31 August 2024. However, the position will need reassessing when issuing the 2024/25 benefit statements.

CAMBRIDGESHIRE PENSION FUND

Agenda Item No:

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Joanne Kent Systems and Projects Manager joanne.kent@westnorthants.gov.uk
Subject:	Pensions Dashboards Update
Purpose of the report:	This report provides information on the government's initiative for pension dashboards, how they will operate, the Fund's responsibilities and actions required to meet the statutory deadlines for connection to the infrastructure.
Recommendations:	The Pension Fund Committee is asked to note: 1) The contents of the report. 2) The changes to the budget associated with the Pensions Dashboard Programme.

Enquiries to:	Joanne Kent Systems and Projects Manager joanne.kent@westnorthants.gov.uk

1. Background

1.1 The Government formalised its intentions to deliver pension dashboards through the Pension Schemes Act 2021 and, the Pension Dashboards Regulations 2022, following many years of discussions on how to engage individuals with their pensions savings.

1.2 Pension dashboards will enable individuals to access their pensions information online (including the state pension), securely and all in one place.

1.3 The Pensions Dashboards Programme (PDP) is responsible for designing and implementing the central digital architecture and developing standards which will provide the rules and controls that will facilitate the ongoing connection of pension schemes to the pensions dashboards infrastructure.

1.4 The Money and Pensions Service (MaPS) is creating the front-end pensions dashboard where individual’s pension data will be visible after successful identity verification and matching. Other commercial dashboards may become available.

1.5 The Pensions Schemes Act 2021, the Pension Dashboards Regulations 2022 and the Pensions Dashboards (Amendment) Regulations 2023 set out the timeline and the requirement for pension schemes to connect to the pension dashboards infrastructure. All schemes are legally required to be connected to the pensions dashboards infrastructure and be ready to respond to requests for pensions information by 31 October 2026 at the latest.

1.6 A Ministerial Statement issued on 25 March 2024 provided further guidance on a staged timetable for schemes to be connected to the pensions dashboards infrastructure and be able to process ‘Find’ and ‘View’ requests. The connection date for public service pension schemes is 31 October 2025.

1.7 Whilst the timetable is not mandatory, the Department for Work and Pensions (DWP) recommend that schemes follow the dates in the guidance unless there are exceptional circumstances (such as a change of software provider).

1.8 The date at which pension dashboards will be available to the public is referred to as the dashboards available point (DAP). This will be decided by the Government (Secretary of State for Work and Pensions), following consultation with the Financial Conduct Authority (FCA), The Pensions Regulator (TPR) and the MaPS. Government will provide at least 6 months’ notice of the DAP.

1.9 The areas that the Government will consider when determining the DAP are:

1. Sufficient coverage
2. The dashboards service must work effectively
3. Safety and security
4. User experience

1.10 The FCA and TPR provide support to pension schemes to comply with the regulations. The provision of pension dashboards will be regulated by the FCA. TPR will be issuing an enforcement and compliance policy in late 2024.

1.11 The Pensions Administration Standards Association (PASA), an industry community interest company that aims to promote and improve the quality of pensions administration services for UK pension schemes, have provided detailed guidance on the administrative requirements and impacts of pensions dashboards.

1.12 There are a number of activities that the Cambridgeshire Pension Fund will need to undertake to connect to the pension dashboards infrastructure by 31 October 2025 and to make data available to users.

1.13 These activities and timelines are detailed in section 3 of this report.

2. Executive summary

2.1 The Government formalised its intentions to deliver pension dashboards through the Pensions Schemes Act 2021 and, the Pension Dashboards Regulations 2022 and The Pensions Dashboards (Amendment) Regulations 2023. The LGPS is required to connect to the infrastructure by 31 October 2025 and be able to respond to requests from the public by 31 October 2026.

2.2 There are a number of activities that the Cambridgeshire Pension Fund will need to undertake to connect to the pension dashboards infrastructure and to make data available to users.

2.3 All data improvement activities have been captured in the Fund's data improvement plan.

2.4 The Fund has procured a digital interface (ISP) to connect to the Pensions Dashboard infrastructure, with the connection scheduled to be implemented in January 2025, followed by a period of testing (paragraphs 3.1 - 3.4).

2.5 Paragraphs 3.5 to 3.12 sets out how the member will access their pensions data through an identification service and provide the dashboard with personal data that will allow schemes to match the member to their pension details. Schemes have a set period of time to match members to their details which is reported to The Pensions Regulator (TPR).

2.6 The information that will be visible to members on the dashboard once a match has been made is detailed in paragraph 3.13. Value data must be provided immediately if it is based on a statement provided to a member in the last 13 months. Otherwise, schemes will have 10 working days to return value data.

2.7 Paragraphs 3.14 to 3.24 detail the dashboard availability, record keeping, and reporting requirements as set out by the Money and Pensions Service (MaPS). Failure to adhere to these requirements would be considered a breach of the law and may lead to compliance notices and penalties.

2.8 The Fund needs to establish a link with its Additional Voluntary Contribution (AVC) providers so that members can easily access their details on the dashboard. Paragraphs 3.25 to 3.29 details the actions needed to facilitate this following guidance.

2.9 Guidance and additional information is continually being issued by the organisations involved in this initiative. The Fund will revise its project plans and documents to ensure compliance with all requirements. A summary project plan will be presented to the Pension Fund Committee at the next meeting.

2.10 The costs associated with the ISP, the implementation and reporting tools were initially overstated in the 2024/25 Business Plan. The amended costs are detailed in section 5.1.

3. Issues and choices

Connecting to the pension dashboards infrastructure

3.1 Pension schemes need to have a digital interface in place to connect to the pension dashboards infrastructure. The Pension Fund Committee agreed, through the Business Plan and Medium-Term Strategy for 2024/25 to use the Fund's pensions administration system software supplier's (Heywood Pension Technologies Ltd) digital interface solution, referred to as an ISP (integrated service provider).

3.2 The ISP of Heywood Pension Technologies Ltd and alternative suppliers were explicitly tested to ensure their ISP offerings met the MaPS' standards, in 2023/24, when the software contract was re-procured.

3.3 The ISP has been procured via a variation agreement to the re-tendered contract that commences from 1 October 2024 as it was not possible to include it in the main software contract at the time as the PDP had been paused.

3.4 It is expected that the first stage of the two-part implementation plan will begin in January 2025 when the connection of the pensions administration software to the ISP will take place, followed by a period of testing of the matching data. The final part of the implementation of connecting the ISP to the pensions dashboard infrastructure will take place prior to the connection date of 31 October 2025.

Data – matching and quality

3.5 When a scheme member uses a pensions dashboard the scheme will receive certain personal data from the digital architecture. This data will be used to locate the member within the Fund's pensions administration system through an automated process known as "matching."

3.6 The identity of the dashboard user will be independently verified by an identity service before it reaches the scheme. It is understood that the identity service will check the first name, last name, date of birth and current address.

3.7 The scheme member will also be encouraged to provide other data to help match to their pension records (national insurance number, alternative first and last name, previous last name and address, email address and mobile phone number).

3.8 Pension schemes must decide what data to use to match members to their pensions ('matching criteria') based on the scheme's data quality and availability.

3.9 A record of the Fund's matching policy must be kept for at least six years from the end of the scheme year in which the decision is taken, and it is anticipated that a scheme may want to change its criteria over time.

3.10 The industry expects that many pension schemes will use last name, date of birth and national insurance numbers for matching as a minimum. However, it may be advisable to widen the criteria to include further personal details such as first name and postcode to increase confidence in matching data to the right person without increasing the risk of failing to find someone when it is possible to.

3.11 An exercise needs to be undertaken to ensure that quality of the data is good enough to match to users. If data is not reliable there is a risk that data will be returned for the wrong person or not finding a record that exists. The result of the matching process is monitored and reportable to the TPR who may issue enforcement action from themselves or the Information Commissioners Office (ICO).

3.12 The following table details what happens when an individual attempts to match with their pension details:

Match is found	ISP will create and register a unique identifier, known as a Pension Identifier (PeI) with the digital architecture, which acknowledges a match. The member can then ask to view their information, and the data will be returned directly to the dashboard. The PeI needs to be deleted when the member leaves the scheme or retires.
Possible match	The member does not match on all the matching criteria. The ISP will still create a PeI but no data is returned to the member. The member will receive a message to inform the member that they may have a pension, but that they need to provide more information via the given contact details. If they do not make contact within 30 days their personal information must be deleted from the ISP and the PeI deregistered. If a match is subsequently

	confirmed, MaPS need to be notified that the match is now confirmed and provide the relevant data to the dashboard when prompted.
Match cannot be found	If it is determined that no pension is held for the member the personal information provided must be deleted.

Information to provide to members

3.13 Schemes will have to supply the following information to scheme members via pensions dashboards:

Administrative data	Scheme name, dates of membership, name and contact details of the administrator, and employers name, length of time to the members retirement. This data must be made available immediately after a view request is received. If new scheme members request data within the first 3 months of joining, administrative data will need to be provided no later than 3 months after the member's date of joining.
Signpost data	Hyperlinks to websites so the member can see useful information about the scheme, including the scheme's statement of investment principles.
Value data	How much pension has already been accrued and the estimated retirement income. Data must be provided immediately if it is based on a statement provided to a member in the last 13 months. Otherwise, schemes will have 10 working days to return value data (3 working days for AVCs). For new scheme members data should be provided no later than when the scheme first produces an annual statement or 12 months from the end of the first full scheme year they have been in the scheme, whichever is soonest.
Contextual information	Information that helps members make sense of the value data. This includes the date to which the value relates, the date the benefit is payable from, whether there are survivor benefits attached to the pension, whether the benefits would increase in payment and why a value is not available.

Ongoing connection and record-keeping requirements

3.14 Once connected to the pensions dashboards digital architecture, the scheme will need to remain connected.

3.15 The MaPS code of connection states that the scheme will need to be available at least 99.5% of the time and provide MaPS with at least five days' notice of any planned downtime or as soon as possible if the scheme disconnects unexpectedly.

3.16 Schemes will also need to update systems when MaPS make any changes or updates to their standards and will need to keep the scheme's information on the Governance Register up to date. Failure to comply with MaPS standards and requests could result in schemes being automatically disconnected which may result in TPR taking compliance and enforcement action.

3.17 Schemes must keep records of complaints related to pensions dashboards for six years. This includes volumes, the nature of complaints (particularly whether they relate to a missing pension or inaccurate value information) and the outcomes. This information must be accessible to MaPS or TPR upon request. In addition, schemes need to document the steps taken within relevant guidance on connection, or other steps taken to achieve connection.

Reporting requirements

3.18 Schemes will need to report certain information through the digital architecture to enable MaPS monitor compliance with legal requirements and the performance of the digital architecture as detailed in the MaPS reporting standards. Schemes must work with their ISP to ensure the system can generate, record, and report the data as required. The reporting data must be retained for six years.

3.19 The types of reporting are:

Interruptions to connection of the ISP to the infrastructure	Immediate reporting
Number of view requests received, and the time taken to respond to each one	Daily reporting
Number of value data items that were unavailable and explanations	Daily reporting
Number of value data items that are not provided within the deadline set out in the regulations	Daily reporting

3.20 All breaches of the legal requirements of Pension Dashboard will need to be logged and reported accordingly. The Fund's Reporting Breaches of the Law policy will be reviewed to accommodate the additional requirements from Pension Dashboards closer to the Data Available Point.

3.21 The ISP provides a suite of integrated reporting that will enable the Fund to closely monitor all Pensions Dashboard activity to assist with regular reporting and to prevent any potential breaches of the standards required.

Failing to comply with pensions dashboard duties

3.22 TPR has powers to issue compliance notices and penalties where schemes fail to comply with requirements. These include connecting and maintaining connection with dashboards and complying with standards set by MaPS. Schemes will be expected to demonstrate how they have had regard to guidance, for example schemes;

- Should not make final decisions about connecting and whether to follow the 'connect by' date without engaging with the guidance
- Must demonstrate that there is adequate governance and processes in place for decision making. The reasoning for decisions should be clearly considered and documented, along with how relevant risks are identified, evaluated, and managed.
- Should ensure they have access to all relevant information before making and acting on decisions and to keep clear and accurate audit trails to demonstrate decisions, reasoning and actions taken.

3.23 TPR have powers to issue compliance notices and penalties to third parties (ISPs, administrators, and employers) where they have caused non-compliance. Penalties can be up to £5,000 to individuals and up to £50,000 in other cases for any instance of a single compliance breach.

3.24 TPR has discretion over if any how they use their powers, whilst recognising that delivering pension dashboards is a huge challenge for the industry.

Additional Voluntary Contributions (AVCs)

3.25 The Cambridgeshire Pension Fund has two AVC suppliers, Prudential and Utmost Life and has a duty to make this data visible on the pensions dashboards.

3.26 There are three methods to send AVC view data to the dashboards infrastructure.

- Multiple source linked – AVC data is sent directly to the infrastructure by the AVC provider and is linked to the member's main scheme benefits by a unique code.
- Multiple source not linked – AVC data is sent directly to the infrastructure without a link to the member's main scheme benefits.

- Single source – the scheme sends a member's AVC view data to the infrastructure using the ISP. For this to be effective, AVC provider will need to provide the scheme with members AVC view data at agreed intervals.

3.27 The Fund remains responsible for the accuracy and provision of AVC view data and that records held by the AVC provider can be quickly and accurately matched to the main scheme records.

3.28 The provision of AVC view data to the dashboards is a significant workstream of the connection process. The LGA issued detailed guidance in August 2024 to assist schemes in this area and this will be incorporated into the governance processes over the coming months.

3.29 The Fund has already engaged with Prudential and Utmost Life to discuss the routes to the infrastructure and data quality improvement work is being undertaken on the records of scheme members with AVCs (as detailed in the Fund's Data Improvement Plan).

Next steps

3.30 A project plan has been drafted and is being amended to consider the recent guidance issued by the LGA and will need to be continually reviewed as the organisations involved (PDP, MaPS, PASA, TPR and Heywood Pension Technologies Ltd) release further information on this evolving initiative.

3.31 A RAID (Risks, Actions, Issues, Decisions) log has been created and will also require continual review and updating.

3.32 Concurrently, officers will be working on the activities detailed in 2.8, 2.11, 2.20, 2.22, and 2.29.

3.33 All data improvement activities have been captured in the Fund's data improvement plan and are being progressed.

3.34 At the next meeting, the Pension Fund Committee will be provided with a further update on the progress made and be provided with all relevant updates to the overall initiative.

4. Relevant Pension Fund objectives

4.1 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.

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

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 The estimated budget for the various elements of ISP and Dashboard reporting costs have been revised as follows from that set out in the 2024/25 Business Plan:

Element	March 2024 Estimated	Current Estimated Cost
Non-recurring Costs		
ISP Implementation	£10,000	£7,500 to £13,500
Legal Fees	£1,000	TBC
Framework Fees	£Nil	£Nil
Recurring Costs		
ISP Maintenance	£56,000 per annum	£30,225 per annum
Insights Reporting	£11,000 per annum	£4,912.50 per annum

5.1.2 The implementation costs will be charged across 2024/25 and 2025/26. Costs relating to the connection to the ISP in January 2025 will be charged in 2024/25. Costs relating to the connection of the ISP to the pensions dashboard infrastructure prior to the connection date of 31 October 2025, will be charged in 2025/26. The split of the costs is not currently known.

5.2 Legal

5.2.1 Failure to take all the necessary steps to connect to the pension dashboards infrastructure by 31st October 2025 will be considered a breach of the law unless an extension was approved (see 1.7).

5.3 Risk management

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

Risk	Residual risk rating
Incorrect/poor quality data held on the Pension Administration and Payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders (risk 14).	Amber
Failure to administer the scheme in line with regulations and guidance (risk 17).	Green
The Pension Fund fails to comply with legal duties in connection with Pension Dashboards (risk 31).	Green

5.3.2 The executive summary of the Cambridgeshire Pension Fund risk register can be found here.

5.4 Consultation

5.4.1 No consultation has been required arising from the proposals within this report.

6. Background papers

6.1 None

7. Appendices

7.1 None

CAMBRIDGESHIRE PENSION FUND

Agenda Item No:

To:	Pension Fund Committee
Meeting date:	2 October 2024
Report by:	Ben Barlow Investments and Fund Accounting Manager Ben.Barlow@westnorthants.gov.uk
Subject:	Annual Report 2023-24
Purpose of the report:	To present the Final Annual Report of the Pension Fund for the 2023-24 financial year.
Recommendations:	The Pension Fund Committee is asked to approve the Annual Report 2023-24 for publication.

Enquiries to:	Ben Barlow Investments and Fund Accounting Manager Ben.Barlow@westnorthants.gov.uk

1. Background

1.1 The structure and content of the Annual Report is governed by the new guidance issued by the Scheme Advisory Board in compliance with Regulation 57 of The Local Government Pension Scheme Regulations 2013 (as amended). Approval of the 2023-24 Annual Report at this meeting will enable the Fund to meet the statutory deadline for publication, 1 December 2024.

2. Executive summary

2.1 The Scheme Advisory Board issued new Annual Report Guidance for Pension Funds in March 2024. This report lays out key changes being made to the annual report this year to adhere to the new guidance.

2.2 This report also summarises the content contained in the Annual Report.

3. Issues and choices

New Guidance

3.1 The Scheme Advisory Board issued new Annual Report Guidance for Pension Funds in March 2024. The purpose of the new guidance is to assist local government pension funds with the preparation and publication of the pension fund annual report, as required by regulation 57 of the Local Government Pension Scheme Regulations 2013. It also aims to ensure that reporting across the scheme is consistent and provides comparable data for all funds.

3.2 The guidance applies to 2023-24 annual reports and later years. For annual reports covering 2023-24, funds have been advised to use their best endeavours to comply fully with this guidance.

3.3 The external auditors have carried out their consistency checks on the Annual Report before publication and accessibility checks have been completed ready for publication.

3.4 The statutory date for publication of the Pension Funds Annual Report is 1 December.

3.5 The following terms are used for levels of compliance to the guidance:

3.5.1 Must - Compliance is strongly expected. Any non-compliance should be clearly identified in the annual report and an explanation provided.

3.5.2 Should - Compliance is anticipated but is discretionary. Where non-compliance may be significant or material for the readers the non-compliance should be identified and explained.

3.5.3 May - Compliance is recommended but is discretionary.

3.6 The Fund has made the following changes to adhere to the new guidance, categorised by the above terms:

Must	**Should**	**May**
Includes a summary of administration activities, linked to the business plan, undertaken during the year	Actions taken to deliver the communications policy	Freedom of Information Requests received during the year
Additional information included on Key	More information included about the internal dispute	Table showing UK levelling up assets and % of total

Performance indicators, including casework, communications and engagement, resources, and data quality	resolution procedure (IDRP), The Pensions Ombudsman and the number of formal complaints received during the year (not through IDRP)	assets invested in levelling up assets
Further information on asset pooling and plans for the future.	Results from member and employer satisfaction surveys	
Table showing asset class split by pooled, under pooled governance and not pooled	Additional information on the roles of Committee and Board members and training that is required from each member.	
Table showing UK assets split by pooled, under pooled governance and not pooled.	Summary of activities carried out by Committee and Board during the year	
Net savings of pooling	Information on the Fund's conflict of interest policy	
	Breakdown of administration expenses	

3.7 A value for money statement is a new requirement with a 'must' compliance. However, due to the time constraints and feasibility the Fund has not been able to create a robust value for money statement for the 2023-24 report. This will be included in next year's report.

3.8 In addition to the above, the annual report includes a summary report at the beginning of the document. This has been added to improve readability, make the report more engaging and signpost key information throughout the document.

3.9 A copy of the guidance can be found here: Preparing the Pension Fund Annual Report - Guidance for Local Government Pension Scheme Funds (APRIL 2024)

Content

3.10 The Annual Report content is set out over six sections: -

3.10.1 Preface - provides an introduction to the Annual Report framing the arrangements for the management of the Fund, key officers, a statement of responsibilities and listing key third parties.

3.10.2 Financial Performance - includes the financial performance of the Fund, contributions received and overpayments.

3.10.3 Scheme Administration - describes the scheme framework, how the Fund is administered, the Administering Authority's role, membership movements, key performance indicators, employers. In addition, it sets out the communication policy and complaints.

3.10.4 Governance and Training – sets out the governance arrangements of the Fund, how risks are managed. The section also includes the membership, training and activities of the Pension Fund Committee and Local Pension Board.

3.10.5 Investments – includes the legislation under which investment of Fund assets is undertaken, the Fund's investment strategy and performance including commentary and financial information on asset pooling. The Fund's investment consultant reviews the economic market background for the year and the future outlook and Annual Climate Report.

3.10.6 Actuarial Information - describes how the Fund has complied with the Local Government Pension Scheme Regulations 2013 and the Fund's key funding principles adopted in the Funding Strategy Statement. This section describes the most recent triennial valuation and the key assumptions applied.

4. Relevant Pension Fund objectives

4.1 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.

4.2 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.

4.3 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.

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

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

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

4.7 To promote the scheme as a valuable benefit.

4.8 To deliver accessible communications to stakeholders.

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

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

5. Implications (including financial implications)

5.1 Resources and financial

5.1.1 There are no resources or financial implications arising from the proposals.

5.2 Legal

5.2.1 The production of the Annual Report is a regulatory requirement and needs to be published by 1 December. As it is proposed that the Committee approves the Annual report at this meeting, this will enable the Fund to meet the timescale for compliance.

5.2.2 Squire Patton Boggs have reviewed the paper for legal implications.

5.3 Risk management

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

Risk	Residual risk rating
Failure to administer the scheme in line with regulations and guidance.	Green
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 production of accounts, notices, publications and management reports leading to possible financial and reputational damage.	Green

5.3.2 The executive summary of the Cambridgeshire Pension Fund risk register can be found here.

5.4 Consultation

5.4.1 The Pension Fund Annual Report is produced utilising information and advice provided by Investment Managers, the Fund's Custodian, Northern Trust, and the Fund's Actuary, Hymans Robertson.

5.5 Background papers

5.5.1 None

5.6 Appendices

5.6.1 Appendix 1 – Cambridgeshire Pension Fund Annual Report 2023-24

Cambridgeshire County Council Pension Fund Annual Report Year Ended 31 March 2024

Contents

Chair's Foreword

I am delighted to present the Annual Report and Statement of Accounts for the Cambridgeshire Pension Fund's financial year 2023-24.

We have introduced a number of changes to this year's annual report, both in response to the increasing reporting expectations of the national Scheme Advisory Board, but also to improve accessibility and readability. The most significant change is the new summary report (Pages 4 to 7) that provides an overview of the key messages from each area of the annual report and signposts relevant information within the subsequent pages.

It is pleasing to report that the Fund remains in a strong financial position. The Fund increased in value by £526.2m to £4.76bn, helped by a 11.7% return on investments during the year. The Fund remains in a stable cash positive position with total income exceeding expenditure by £9.9m before any investment returns are considered.

Funding level is the comparison of Fund assets to liabilities. At the last formal valuation, 31 March 2022, the funding level was 125%, meaning for every £1 of liabilities owed to members, the Fund has £1.25 of assets to cover the liability. This funding level has continued to improve by the end of the 2023-24 scheme year.

The main responsibility of the Fund is to pay benefits to scheme members and other beneficiaries in a timely manner as they fall due. Membership has grown substantially and now totals over 99,000 active, pensioner, and deferred scheme members.

The Scheme Administration section sets our key performance indicators for our main interactions with members. The amount of information provided has expanded as a result of the reporting requirements mentioned earlier. We have now included information on communications and engagement with scheme members, member satisfaction levels, and the amount of members using member self-service.

If you are a scheme member and not currently using member self-service then can I encourage you to do so by accessing the Fund's website ([Landing page - Cambridgeshire and Northamptonshire LGPS (westnorthants.gov.uk)])

Aside from direct interactions with scheme members, the pensions team have been working on numerous planned activities through out the year, including procurements, ACCESS asset pool developments, a new Fund website, and the Fund's Climate Action Plan.

The Fund is a member of the ACCESS asset pool and uses ACCESS to reduce investment costs and comply with the Government's asset pooling agenda. We now have 74.4% of assets pooled as of 31 March 2024, a significant increase of 13.4% from the prior year, with a further 9% earmarked for pooling during the next financial year. The Fund has used ACCESS to support changes to our strategic asset allocation within the year, reducing allocations to equity and increasing allocations to fixed income and alternatives.

Our Climate Action Plan shows our commitment to sustainability, wherein we have set a decarbonisation pathway for our investment portfolio. Our goal is to achieve net zero carbon emissions by 2050 at the latest whilst ensuring the Fund can still carry out its fiduciary responsibilities. We have made significant progress in reaching these targets since they were set in 2021, and more information is provided in the Climate Change Report within this annual report (Pages 57 to 61) and on the Fund's website.

I extend my sincere appreciation to Members of the Pension Fund Committee, the Investment Sub-Committee, and the Local Pension Board. I would like to welcome Councillor Mike Black, Councillor Peter McDonald, Councillor Nick Gay, Councillor Tom Sanderson and Howard Nelson as newest members on the Pension Fund Committee this year and Liz Brennan, who joined the Local Pension Board this year.

Thank you also to the devoted officer team who endeavour to maintain the highest standards of performance for our scheme members, employers, and other stakeholders.

Should you have the time to delve deeper into this annual report, you should gain further understanding into the Fund's operations, achievements, and future outlook. The Fund remains steadfast in its mission to provide financial security for its members, uphold transparent governance practices, and act as responsible stewards of the Fund's assets.

Yours faithfully,

Councillor Alison Whelan

Chair of the Cambridgeshire Pension Fund Committee

Summary Report

Cambridgeshire County Council is the administering authority for the Cambridgeshire Pension Fund (the Fund) which is part of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and Cambridgeshire Pension Fund has over 99,000 members and 197 active employers. The main purpose of the Pension Fund is to pay benefits to members and beneficiaries as they fall due.

Funding Level

At the last formal valuation, the Funding level was 125%. This means for every £1 of liabilities owed to members, the Fund has £1.25 of assets to cover the liability. The actuarial statement on page 67 provides more information on the latest actuarial valuation as of 31 March 2022.

Financial Performance

The budget is approved by Pension Fund Committee at the start of the year (see Governance section page 43) and forecasts are reported against the budget on a regular basis throughout the year. As at the end of the year, the Fund is still cash-flow positive, the fund received enough income to pay its expenses.

Key highlights:

- The Fund returned 11.7% on investments during the year resulting in a £454.1m return on investments.
- In total, the Fund value increased by £526.2m from £4.23bn to £4.76bn.
- The Fund has received £166.5m of contributions during the year, of the total amount of contributions received, only 1% (£224k) was paid late by employers.
- Transfers in and out represent amounts received and paid for members who have joined or left the Fund, the Fund received £23.4m of transfers in and paid £15.9m in transfers out during the year.
- Benefits payable are Pensions and lump-sum benefits paid to members. The Fund paid £138.7m in Pension benefits during the year.
- Management expenses during the year were £25.5m, of that £20.0m were paid to investment managers.
- Investment income received from investment managers during the year was £62.2m.

Financial Performance	2023-24 Budget £000	2023-24 Actual £000
Contributions	148,000	166,530
Transfers in from other funds	11,000	23,390
Total Income	**159,000**	**189,920**
Benefits payable	-137,000	-138,653
Payments to and for leavers	-9,000	-15,918
Total Benefits	**-146,000**	**-154,571**
Surplus of contributions over benefits	**13,000**	**35,349**
Management Expenses	0	0
Administrative Costs	-3,221	-3,010
Investment Management Expenses (Invoiced)	-845	-1,352
Investment Management Expenses (Non-Invoiced)	-22,900	-19,993
Oversight and Governance Costs	-881	-1,118
Total Management Expenses	**-27,847**	**-25,473**
Total Income less Expenses	**-14,847**	**9,876**
Investment Income	34,000	62,246
Taxes on Income	0	-36
Profit/(loss) on disposal and changes in market value of investments	204,000	454,093
Net return on investments	**238,000**	**516,303**
Net increase/(decrease) in assets during the year	**223,153**	**526,179**

Summary Report

Administration

Membership of the LGPS is voluntary and employees are free to choose whether to join the scheme, remain in the scheme or make their own personal arrangements outside the scheme. Organisations participating in the Cambridgeshire Pension Fund include: Scheduled bodies, Admitted bodies and Resolution/Designated bodies. For more information on these types of employers see page 75.

The Fund has been working on its business plan activities during the year, across areas including administration, governance, investments and communications, all while keeping up to date with its business-as-usual activities. To name a few, we have successfully carried out six retenders and reviews for expiring contracts; continued with the development of the ACCESS Pool and climate action plan and carried out a review of the Funds website, implementing best practice and adhering to new legislation and regulations. For more information of these projects, see page 15.

The Fund has developed a number of Key Performance Indicators (KPIs) to monitor service delivery. This report includes casework caried out during the year and the time taken for the case work to be completed against the Funds target. The Funds targets for casework are currently tighter than the CIPFA Guidance recommends. The Fund has introduced new KPIs this year for communication and engagement targets with members and employers; staff resources and data quality scores. For more information on the Fund’s KPIs, see page 18.

Governance

Cambridgeshire County Council has established a Pension Fund Committee (PFC) and Investment Sub-Committee (ISC).

All members of the ISC sit on the PFC. Councillor Alison Whelan is the Chair for the Pension Fund Committee and Councillor Michael Black is the Vice-Chair.

Membership of the PC consist of:

Member Type	Number of representatives
Cambridgeshire County Council elected members	6
All other local authorities, police and fire elected members	2
All other employer's representative	1
Active scheme member representative	1
Deferred and Pensioner member representative	1

The Local Pension Board (LPB) was established on 1 April 2015, providing an additional layer of governance for the Fund. The Local Pension Board is made up of 3 scheme employer representatives and 3 scheme member representatives. Councillor Denis Payne is the Chair for the LPB.

The full membership list of the above governance bodies is available on page 45.

Investments

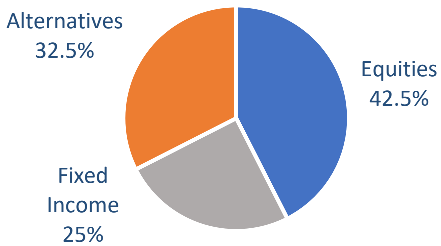
The primary objective of the Fund is to pay benefits as they fall due to members and beneficiaries. In normal market conditions, all accrued benefits should be fully covered by the value of the Fund's assets and an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing. The Fund’s approach to its investment arrangements is set out in its Investment Strategy Statement (ISS).

The Fund adopts a long-term perspective, focussing its investment strategy to generate sustainable returns on a risk adjusted basis to grow the Fund’s assets to reflect its equally long-term future liabilities. The Fund has produced a Responsible investment policy which sets out our approach to sustainable responsible investment and will help us manage the carbon and climate risks impacting our investments better. The Fund has also created a climate action plan, decarbonisation pathway and a climate dashboard which measures the funds progress at decarbonisation over time. All four documents can be found on the Funds website key documents page.

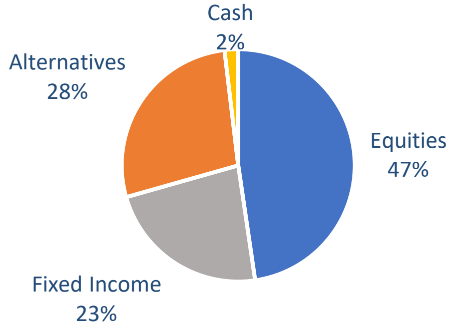
Summary Report

The below pie charts show the Funds actual allocation compared to its strategic allocation:

Strategic Asset Allocation at 31 March 2024



Actual Asset Allocation 31 March 2024



The detailed market summary from our independent advisor's annual review is available from the page 62 'Independent Adviser's annual review – Twelve months to 31st March 2024'.

The Fund is working with ten like-minded LGPS funds to implement the ACCESS asset pool in response to the Government's LGPS reform agenda. The main aim is to encourage LGPS Funds to work together to form asset pools to "pool investments to significantly reduce costs, while maintaining investment performance." Individually, the participating funds have a strong performance historically and potential for substantial benefits for a group of successful, like-minded authorities collaborating and sharing their collective expertise. Collectively as at 31st March 2024, the ACCESS Pool has significant scale with assets of £64.6bn (of which 69% has been pooled) serving 3,510 employers with 1.2 million members including 341K pensioners.

UK Levelling Up Investments

"Levelling up" refers to assets which make a measurable contributions to one of the missions set up in the Government Statement of Levelling Up Missions and support any local areas within the United Kingdom.

The Government's ambition is for the funds to invest up to 5% of their assets in projects which support levelling up. As at 31 March 2024, the Fund has 5% invested in levelling up assets.

The below table shows the Funds levelling up assets:

Asset	£m
Cambridge and Counties Bank	84.8
M&G UK Residential Property	56.4
Cambridge Building Society	15.0
Foresight East of England Fund	61.6
M&G Shared Ownership Fund	24.5
Total	**242.3**

Task Force on Climate Related Financial Disclosures (TCFD)

The Fund recognises the systemic risk associated with climate change as well as the County Council's targets in this regard and has been working towards producing a climate change report. To manage this systemic risk and to align with its support of the Paris Agreement and a "just transition", the Fund currently expects that its investment portfolio will be net carbon neutral by 2050, in line with UK Government's targets.

Since the targets were set in June 2021, the Fund has:

- Reviewed the Fund's passive equity allocation and implementing changes to the underlying benchmarks to increase exposure to stocks with positive climate-related characteristics.
- Switching one of the Fund's multi-asset credit mandates to a portfolio with the same expected risk and return and stronger integration of positive Environmental, Social and Governance factors.
- Agreeing a strategic allocation of 1% of total Fund assets to timberland.

Summary Report

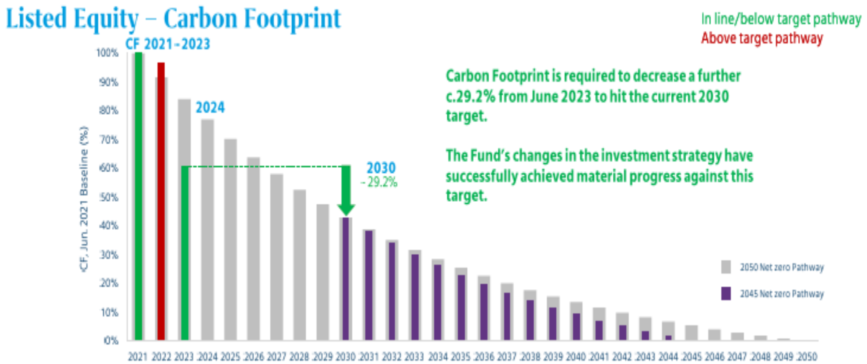
Current reported metrics only include emissions data for the Fund's listed equity portfolio. From 2024 this will be expanded to include corporate bonds.

The Fund will continue to track both absolute emissions and weighted average carbon intensity (WACI) (and from the 2024 analysis date, Science Based Targets initiative (SBTi) alignment) as each metric provides a different insight as to the nature of the companies held within portfolios.

Progress against targets

The chart below demonstrates the Fund's progress (Green and Red bars) against the pre-defined pathway (Grey bars) required in order to achieve the Net Zero objective by 2050. The purple bars demonstrate the pathway to achieve Net Zero by 2045 for information.

The full report is available on page 57



Statement of Responsibilities

Introduction

This Annual Report and Statement of Accounts sets out the arrangements by which the Local Government Pension Scheme operates, reports changes which have taken place and reviews the investment activity and performance of the Cambridgeshire County Council Pension Fund ("Fund") during the year.

The Statement of Accounts has been prepared in accordance with the CIPFA/LASAAC Code of Practice for Local Authority Accounting in the United Kingdom 2023-24.

The accounts summarise the transactions and deal with the net assets of the Pension Fund. The accounts do not take account of the obligation to pay future benefits which fall due after year end. The actuarial position of the Fund which takes into account these obligations is available on the Fund's website,

2022 Valuation Report

The Council's Responsibilities in respect of the Pension Fund

Cambridgeshire County Council is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council that officer is the Chief Finance Officer; and
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts which form part of the Council's Statement of Accounts.

The Chief Finance Officer's Responsibilities

The Chief Finance Officer is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the *CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code)*.

In preparing this statement of accounts, the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently; and
- Made judgments and estimates that were reasonable and prudent; and
- Complied with the Code.

The Chief Finance Officer has also:

- Kept proper accounting records which are up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

Certificate of Accounts

I certify that this Statement of Accounts presents a true and fair view of the financial position of the Pension Fund at 31 March 2024 and of its income and expenditure for the year 2023-24. I authorise the accounts for issue.

xxxxxx

Chief Finance Officer

(Section 151 Officer)

Dated: XXXXXXXXXXX

Scheme Management & Key Officers

The Key Officers of the Fund during the year were:

Michael Hudson – Executive Director of Finance and Resources
Mark Whitby – Head of Pensions
Ben Barlow – Investments and Fund Accounting Manager
Joanne Kent – Systems and Projects Manager
Akhtar Pepper – Operations Manager
Cory Blose – Employer Services and Communications Manager
Michelle Oakensen – Governance and Regulations Manager

The Team

The Pensions Service is based in Northampton and consists of the following teams:

- **Operations** – contact point for members of the scheme to deal with members' enquiries and requests. Maintain member records, calculate benefits and pensions payable.
  Email: Pensions@westnorthants.gov.uk
- **Employers** – contact point for employers of the scheme and those wanting to join. Deliver training sessions to employers and payroll providers to assist them to participate efficiently in the Fund.
  Email: PenEmployers@westnorthants.gov.uk
- **Funding** – record and reconcile contributions paid into the Fund and accounts for fund expenses. Provide financial monitoring and reporting of functions such as debt management and cash requirements.
  Email: PenContributions@westnorthants.gov.uk
- **Governance** – support all Committees in governing the Fund effectively, develop and monitor policies and practices to improve data quality and ensure regulatory compliance.
  Email: Pensions@westnorthants.gov.uk
- **Investments** – oversee the governance of Fund assets and support the Investment Sub-Committee, financial monitoring and reporting of investments.
  Email: PenInvestments@westnorthants.gov.uk
- **Projects** – is responsible for delivering a wide range of projects that are required to be delivered across the service.
  Email: PenProjects@westnorthants.gov.uk
- **Systems** – ensure internal systems are operating efficiently and provide support to maintaining accurate member records.
  Email: PenSystems@westnorthants.gov.uk

Michael Hudson

Executive Director of Finance and Resources

Cambridgeshire County Council

Email: Michael.Hudson@cambridgeshire.gov.uk

Enquiries relating to management and administration should be directed to:

Mark Whitby

Head of Pensions

Pension Services

Email: Mark.Whitby@westnorthants.gov.uk

Further information regarding the accounts and investments can be obtained from:

Ben Barlow

Investments and Fund Accounting Manager

Pension Services

Email: Ben.Barlow@westnorthants.gov.uk

Registered Pension Scheme Number: 10038487

Scheme Management, Advisors and Partners

To visit each providers website, you can access their link by clicking on the logos.

Partners
ACCESS (Pension Pool)
AON (Consultants)
KPMG (Auditors)
Hymans Robertson (Actuary)
Mercer (Investment Consultants)
NatWest (Bank)
Northern Trust (Custodian)
Pathfinder (Legal Advisor)
Sam Gervaise-Jones(Ind. Advisor)
Squire Patton Boggs (Legal Advisors)

Asset Managers
Adams Street Partners
Allianz Global Investors
Ares Asset Management
AVIVA Investors
Blue Bay Asset Management*

Asset Managers (Continued)
Dodge & Cox Funds*
Equitix Ltd
Foresight Group
HarbourVest Partners (UK)
IFM Investors
JO Hambro *
JP Morgan
Longview Partners*
M&G Investments*
Osmosis
Partners Group
Schroders
Waystone Management Limited
USB Asset Management

AVC Providers
Prudential
Utmost Life & Pensions

*Sub-funds managed by Waystone Management in the ACCESS pool (page 50)

Financial Performance

Financial Performance

The financial performance of the Fund is monitored against budgeted performance on a regular basis throughout the year by the Pension Fund Committee.

Variance Analysis

- Contributions from members are set in accordance with LGPS regulations and contributions from employers are set at the percentage rate recommended by the actuary in the payroll period to which they relate. If there were to be a large increase in active membership numbers or salary increases are higher than expected, contribution income would increase and vice versa for decreases. The variance from actual to budget is due to two employers paying their three-year deficit contributions in the first year of valuation.
- Benefits payable are Pensions, retirement and death lump-sum benefits paid to beneficiaries during the year. The figures are driven by pensioner membership numbers and Pension Increase. Benefits are in line with current membership numbers.
- Transfers in and payment out values represent the amounts received and paid for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations and guidance. These figures are demand led.
- Management expenses include all direct fees charged to the Pension Fund during the year. For more information the accounting policies on management fees can be found on page 78.
- Administration fees are lower than expected due to large bank interest payments received during the year.
- Investment management expenses (invoiced) are higher than expected due to new investments.
- Investment management expenses (non - invoiced) are lower than expected due to underperformance from some managers and strategic asset changes during the year.
- Oversight and governance costs are higher than expected due to under estimated consultancy costs for the implementation of the investment strategy.

The 2023-24 budget for profit/loss on disposal and changes in market value of investments assumed the actuarial target would be achieved. The actual market experience is explained in the independent investments advisor's review (page 62).

Details of non-investment assets and liabilities of the Fund are not included in the below table, they can be found in the Statement of Accounts in Notes 21 to 22. There have been no significant changes to non-investment assets and liabilities during the year.

Financial Performance	2023-24 Budget £000	2023-24 Actual £000
Contributions	148,000	166,530
Transfers in from other funds	11,000	23,390
Total Income	**159,000**	**189,920**
Benefits payable	-137,000	-138,653
Payments to and for leavers	-9,000	-15,918
Total Benefits	**-146,000**	**-154,571**
Surplus of contributions over benefits	**13,000**	**35,349**
Management Expenses		
Administrative Costs	-3,221	-3,010
Investment Management Expenses (Invoiced)	-845	-1,352
Investment Management Expenses (Non-Invoiced)	-22,900	-19,993
Oversight and Governance Costs	-881	-1,118
Total Management Expenses	**-27,847**	**-25,473**
Total Income less Expenses	**-14,847**	**9,876**
Investment Income	34,000	62,246
Taxes on Income	0	-36
Profit/(loss) on disposal and changes in market value of investments	204,000	454,093
Net return on investments	**238,000**	**516,303**
Net increase/(decrease) in assets during the year	**223,153**	**526,179**

Financial Performance (continued)

Financial Performance (continued)

A breakdown of Administration Cost is shown below:

Administration Costs	2023-24 Budget £000	2023-24 Actual £000
Staff related	-2,080	-2,185
Pensions administration and payroll system	-485	-448
Data Assurance	-25	-19
Communications	-51	-32
Other non pay and income	-27	227
County Council overhead recovery	-553	-553
Total Administration Costs	**-3,221**	**-3,010**

Contributions

Contributions are made by active members of the Fund in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year ended 31 March 2024. Employers' contributions are set as part of the triennial actuarial funding valuation. The last such valuation was at 31 March 2022. Employers' contributions comprise a percentage rate on active payroll between 0% and 43.3% and deficit payments of fixed cash amounts set for each employer as part of the triennial funding valuation.

The Fund works closely with employers to collect contributions on time. The following table shows the amount of regular employee and employer contributions paid during the year and the value and percentage of which were paid both on time and after the deadline of the 19th day of the month following deduction.

Contributions	Total Paid in 2023-24 £000	Total Paid On Time £000	% Paid On Time	Total Paid Late £000	% Paid Late
Employer	130,282	130,108	99	174	1
Employee	36,248	36,197	99	51	1
Total	166,530	166,305	99	225	1

The Fund did not apply any additional charges or levies in respect of contributions received late, and no reports were made to The Pensions Regulator in respect of late contributions during the year.

Recovery of Overpayments of Pension

The Fund participates in the National Fraud Initiative which is a biennial process. The necessary recoveries arising from identified overpayments are being pursued.

Annual Pensioner Payroll (£)[1]	115,575,385
Total write off amount (£)	75,551
Write off amount as % of payroll	0.065%

[1]*Excludes additional pension awarded by the employer.*

The following tables show the analysis of pension overpayments that occurred during the last five years:

Year	Overpayment £	Recovered/in progress £	Written Off £
2019-20[2]	97,143	36,137	61,006
2020-21	19,846	4,895	14,951
2021-22	40,591	28,750	11,841
2022-23[3]	102,395	33,636	68,759
2023-24[3]	87,512	11,961	75,551

[2]*Overpayments in 2019-20 appear particularly high, as in addition to usual activity, the Fund undertook a significant reconciliation project during the year in which a number of overpayments were identified.*

[3] *Overpayments in 2022-23 and 2023-24 are high, as in addition to usual activity, the Fund undertook a Guaranteed Minimum Pension (GMP) rectification project. Overpayments identified as a result of incorrect or non-application of the GMP are written off after authorisation is obtained from Committee, unless the member could have known that their pension was being paid incorrectly as a result of the non or misapplication of GMP.*

Overpayments identified with a value of under £250 are automatically written off, in line with the Fund's Overpayments Policy.

Scheme Administration

Introduction

Cambridgeshire County Council is responsible for administering the Cambridgeshire Pension Fund, which is available to employees of the County Council, organisations with a statutory right to be in the scheme (scheduled bodies) and organisations, such as outsourced contractors and charities, which the County Council has admitted under its discretionary powers (admitted bodies). As well as organisations that can admit their employees to the LGPS by passing their resolution (nominate employees for access to the LGPS).

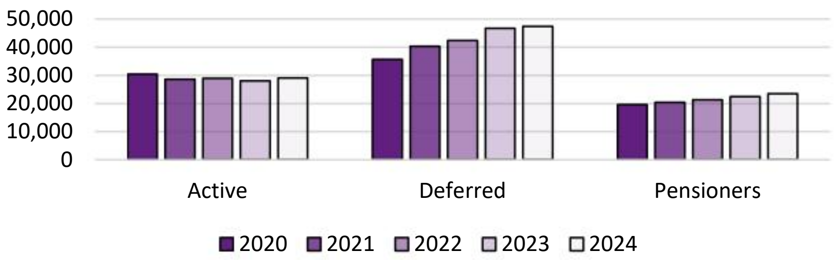
The Fund is a qualifying scheme under the automatic enrolment regulations and can be used by employers to automatically enrol eligible employees, and every three years re-enrol anyone who opts out of the scheme.

A shared service partnership between Cambridgeshire County Council and West Northamptonshire Council provides pension administration services to the Cambridgeshire Pension Fund.

Membership

Membership of the Fund increased by 2.8% from the previous year.

On 31 March 2024 there were the total membership of 99,839 in the Fund with 29,036 active, 57,678 deferred and 23,424 pensioner members. The deferred figure is inclusive of 10,299 open cases that may change status (undecided leavers).



Pension Fund Administration

There are 91 staff members (approximately 88 full time equivalent) within the Pensions Team, providing all aspects of service to both the Cambridgeshire and Northamptonshire Funds, with an average staff to member ratio of 1:2,066 (total members for Northamptonshire and Cambridgeshire Pension Funds divided by full time equivalent staff members). Of the 88 full time equivalent staff, approximately 47 are attributed to the Cambridgeshire Pension Fund.

Internal audit perform risk based audit procedures to assess the effectiveness and efficiency of administration services.

The requirements of the General Data Protection Regulations (GDPR) are recognised and feature in the design of the Fund's administration processes. The Fund has in place a GDPR compliant privacy notice, conducts privacy impact assessments for all new activities involving personal data and has in place a Register of Processing Activities and Information Asset Register.

Scheme Administration Tools

The Pensions website contains detailed information for all the Fund's stakeholders and has dedicated pages for both members and employers. There is a comprehensive suite of forms and factsheets for members, prospective members and employers.

Member Self Service is an online platform which allows members to securely access their records, amend their personal information, perform benefit projections and view their annual benefits statement.

i-Connect is a system used which allows employers to securely upload monthly payroll data into the pension database, improving efficiency and accuracy of data and ensuring timely record maintenance.

Support for members and employers can be accessed via the website, Member Self Service or by contacting the Helpline on 01604 526 528.

Scheme Administration (continued)

Scheme Framework

The Local Government Pension Scheme is a statutory funded pension scheme. The operation of the Cambridgeshire County Council Pension Fund is principally governed by the Local Government Pension Scheme Regulations 2013 (as amended) and the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended) which have been made within the context of the primary legislation of the Public Service Pensions Act 2013.

The Scheme covers eligible employees of the County Council, the Police Authority, Police and Crime Commissioner, Combined Authority, District and Borough Councils and Academies within the county area other than teaching staff, police officers and fire-fighters for whom separate statutory arrangements exist. A number of other bodies are also members of the scheme.

Employer's contribution rates are set by the Fund's Actuary every three years following the valuation of the Fund, in order to maintain the solvency of the Fund. The last valuation took place as at 31 March 2022. The results of the valuation were a funding level of 125% and an average primary employer contribution rate of 18.4% (31 March 2019: 18.4%). The primary rate includes an allowance of 0.8% (31 March 2019: 0.6%) of the pensionable pay for the Fund's expenses. The average employee contribution rate is 6.4% (31 March 2019: 6.3%) of pensionable pay.

On 1 April 2014, the new Local Government Pension Scheme 2014 came into effect, allowing more flexibility around paying into the scheme and drawing benefits in comparison to the 2008 scheme. Normal pension age is linked to the state pension age but benefits can be drawn earlier or later, between age 55 and 75. The normal retirement age is the age a member can access their pension in full; if it is accessed before that date benefits will usually be reduced and if accessed after normal retirement age benefits may increase. All service built up to 31 March 2014 in the LGPS is fully protected and will continue to be based on a member's final year annual pay when the individual leaves the LGPS (2008 scheme). The new scheme from 1 April 2014 is a Career Average Revalued Earning (CARE) scheme under which the pensionable pay for each year of membership is used to calculate a pension amount for that particular year, which is then revalued each year in line with inflation. The comparison between the 2008 scheme and 2014 scheme (CARE scheme) is illustrated on page 109

Benefits built up before April 2014 also retain their protected Normal Pension Age, which for most members is 65, although certain members have a retirement age of 60 for all or part of their membership. There is an additional protection known as the 'underpin' for members who were active on 31 March 2012 and were within ten years of their Protected Normal Pension Age on 1 April 2012. These members will get a pension at least equal to the pension they would have received in the LGPS had it not changed on 1 April 2014, subject to meeting certain criteria.

In December 2018 the Court of Appeal ruled against the Government in two linked cases relating to the Judicial Pension Scheme and the Firefighters' Pension Schemes. This ruling is generally referred to as the McCloud judgment.

In essence, the Court held that the transitional protections afforded to older members of public sector schemes when the reformed schemes were introduced in 2015 constituted unlawful age discrimination.

A written ministerial statement followed on 15 July 2019 to confirm that, as transitional protection was provided in all public service schemes upon their reform, the McCloud judgment had implications for all those schemes, including the LGPS in England and Wales.

Primary legislation required in relation to the McCloud remedy has now been put in place as The Public Service Pensions and Judicial Offices Bill received Royal Assent in March 2022, becoming the Public Service Pensions and Judicial Offices Act 2022.

There was a consultation from DLUHC in 2020 on the proposed amendments to the LGPS Regulations necessary to remedy the specific unlawful age discrimination. Subsequently, there was another consultation in 2022 on the proposals to extend the current underpin to younger members and remove the requirement to have an immediate entitlement to benefits on leaving to qualify for underpin protection. After the above two consultations, the regulations came into force on 1 October 2023, which removed the age requirement from the qualifying criteria.

Anyone who qualifies is entitled to have their pension built up between 1 April 2014 and 31 March 2022 calculated using final salary rules if it is higher than the CARE pensions

The benefits of members in scope of the McCloud remedy that retire on or after 1 October 2023 are having their benefits fully assessed and paid accordingly. All other members will have their benefits reassessed following the issuance of DLUCH statutory guidance.

Scheme Administration (continued)

Summary of activities undertaken during the year

The following activities/projects were undertaken by the Fund during the year. The majority of these were listed in the Fund's Annual Business Plan and Medium-term Strategy and their performance and progress were monitored by Fund management team and reported periodically to governing bodies within the Fund's governance structure. The current Business Plan and Medium-term strategy can be obtained on the Fund's website key documents page.

Activity	Description	Year end status
Complete the Guaranteed Minimum Pension Rectification.	To complete the rectification stage for scheme members, making adjustments to pensions in payment where necessary.	This project completed on 30 June 24.
Application of the McCloud age discrimination remedy.	The pension records of scheme members within scope of the McCloud ruling will be rectified following the implementation of the age discrimination remedy, expected via amendment to legislation on 1st October 2023.	Delays in government guidance has impacted this activity. Activity to progress in 2024-25
Processing of undecided leaver records.	To reduce the backlog by 2,500 cases per year for the next 2.5 years from a baseline of approximately 8,500 at March 2023.	The project will continue into 2024-25.
Implement recommendations from the review of the website and digital communications.	Following the review, a decision was made to host both member and employer pages internally on a single website. During 2023/24, resources were sourced to build the website and the website design, navigation, and menu structures were created.	The project will continue into 2024-25 where the content will be written and published on the new website.
Review and implement changes required from the Pension Regulator's new Code of Practice.	In March 2021 the Pensions Regulator launched a consultation on its revised code of practice for the pensions industry. The responses to the consultation have taken the Pensions Regulator longer than expected to digest and as such the new code of practice was expected to come into force early 2023. Once the code of practice is in force, the Fund will have six months to achieve full compliance with its contents.	The Code was released on 28 March 2024 and work has started to assess the regulatory compliance of the Fund with the results scheduled to be presented to the Committee in October 2024. The Pensions Regulator expectations and best practice requirements are due to be reviewed and presented to the Committee by the end of the 2024/25 financial year.

Scheme Administration (continued)

Summary of activities undertaken during the year continued

Activity	Description	Year end status
Implement the best practice recommendations of the good governance review.	Following consultation with LGPS stakeholders, in February 2021, a number of recommendations for improvement were identified. Some would require the input of DLUHC to amend scheme regulations and publish statutory guidance, others by SAB and others for Funds to implement as best practice. The standards are due to be issued in 2023.	Transferred to 2024-25 due to the delay in the release of the standards.
Implement equality, diversity and inclusion (EDI) best practices.	The Pensions Regulator has published guidance to help improve pension schemes' equality, diversity and inclusion. Pension schemes have legal duties to scheme members, and good decision making is key to ensuring those duties are met. EDI supports robust discussion and effective decision making and is an important consideration for schemes. The Cambridgeshire Pension Fund will be aiming to improve its equality, diversity and inclusion via these best practices.	Completed.
Address and mortality screening Services.	The current contract for address tracing and mortality screening ceases in June 2023 with no ability to extend.	A new short-term contract has been put in place with Accurate until 31 March 2025 with a full procurement to follow.
Re-tender for benefits and governance consultancy services.	To re-tender for the supplier of benefits and governance consultancy services currently with Aon due to expire 31 March 2024.	Hymans Robertson was appointed as a supplier from 1 April 2024.
Re-tender for actuarial consultancy services.	To re-tender for the supplier of actuarial services currently with Hymans Robertson due to expire 31 March 2024.	Hymans Robertson was appointed as a supplier from 1 April 2024.
Re-tender for legal services provider.	To re-tender for the supplier of legal services currently with Squire Patten Boggs due to expire 31 March 2024.	Squire Patton Boggs was appointed as a supplier from 1 April 2024.
Re-tender for pensions administration and pensioner payroll platform.	To re-tender for pensions administration and pensioner payroll platform currently with Heywood that is due to cease in September 2024.	Heywood Ltd was appointed as a supplier from October 2024
Continue to review cyber resilience.	Cyber-crime will continue to evolve and become increasingly sophisticated and as such this area will be regularly reviewed and monitored.	Ongoing, the cyber action plan will be updated as and when necessary.

Scheme Administration (continued)

Summary of activities undertaken during the year continued

Activity	Description	Year end status
Review the administrative performance of the Fund's additional voluntary contribution providers.	Review the administrative performance of the Fund's additional voluntary contribution providers.	This exercise was completed with no major concerns over the long-term suitability of the AVC arrangements. The Committee resolved to retain the current AVC providers.
Prepare for the implementation of Pension Dashboards.	In the 2016 Budget, the Government made a commitment that Pension Dashboards would be created by the pensions industry, enabling pension savers to view details of all their pensions together.	Ongoing, activities to procure an ISP to connect to the Pensions Dashboard eco-system and data cleansing will be undertaken in 2024-25.
Continue development of the ACCESS asset pool.	The ACCESS asset pool Authorised Contractual Scheme (ACS) sub-fund structure is now at a mature stage with ongoing developments prioritising completing the sub-fund pipeline and putting in place supplementary sub-funds as and when required. Other developments within the ACCESS pool include the non-listed work programme, Operator re-procurement, and the Phase II ESG/RI procurement.	Ongoing, for more information on the ACCESS Pool see page 50
Continue activities within the Fund's Climate Action Plan.	During 2023-24 the Fund will continue to focus on the milestone dates within the plan which are key to ensure the Fund is on the correct path to achieve "net-zero" carbon emissions by 2050 at the latest.	Ongoing, for more information see the Funds Climate report on page 57
Implement the revised Investment Strategy.	A review of the Fund's investment strategy was undertaken in March 2023 resulting in changes to its strategic asset (SAA). Work will be undertaken throughout 2023-24 to action implement these changes.	Ongoing, for more information see investment allocation and performance on page 54
Review of investment consultancy contract.	The current investment consultancy contract expires September 2024, with the ability to extend up to a maximum of three years.	The Pensions Committee will review the contract in July 2024.
Implemented enhancements to the pensioner payroll platform to increase the efficiency of processing payments	Pension benefits from multiple employments now paid under a single payroll record allowing improved processing of pensions increase. Automated arrears processing has replaced the need for manual calculations. Payroll records now automatically created from the processing of the final retirement calculation as opposed to manual creation.	Completed.

Scheme Administration (continued)

Freedom of Information Requests

The Freedom of Information Act allows everyone the right to request access to information the Administering Authority holds. For further information or if you wish to make a request, you can find the information on Cambridgeshire County Council’s website at [Requesting information under the Freedom of Information Act]

The table to the right lays out how many Freedom of Information requests the Fund received during the year:

Nature of query	Number of Queries
Financial and performance information on the Fund's alternative holdings	10
The Fund's investment holdings	1
The Fund's legal advisors	1
Information regarding an investment managers legal advisors	1
Benefits and Contributions of the Administering Authority from 2000 to date	2
Total number of Freedom of Information request received	**15**

Key Performance Indicators

The Fund has developed a number of Key Performance Indicators (KPIs) to monitor service delivery, these KPIs are reviewed internally on a monthly basis to monitor and inform where delivery is met or remedial action is required. The Pension Fund Committee receives quarterly performance updates within a Business Plan update. This report includes casework caried out during the year and the time taken for the case work to be completed against the Funds target; Communication and engagement targets with members and employers; staff resources and data quality scores.

Total number of casework

KPI	Total number of cases open as at 31 March	Total number of cases created during the year	Total number of cases completed in year	Total % of cases completed in year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependent members	23	712	733	100%	745	97%
New dependent member benefits	24	386	382	93%	362	94%
Deferred member retirements	18	1,086	1,059	96%		
Active member retirements	34	548	548	94%		
Deferred benefits	4,188	4,532	5,019	58%	5,484	57%
Transfers in (including interfunds in, club transfers)	214	877	902	83%	716	77%
Transfers out (including interfunds out, club transfers)	1	399	400	100%	309	99%
Refunds	41	691	688	94%	592	93%
Divorce quotations issued	0	180	138	77%	152	99%
Actual divorce cases*	5	5	2	20%	1	100%
Member estimates requested either by scheme member and employer	205	850	845	80%		
New joiner notifications	0	7,129	7,129	99%	5,107	96%
Aggregation cases	3,019	2,139	1,885	37%	2,253	43%
Optants out received after 3 months membership	0	69	69	100%	95	100%

*There has been a delay completing divorce cases while the Fund waits for further guidance on McCloud.

Scheme Administration (continued)

Key Performance Indicators continued

Time taken to process casework

KPI	Fund's target	% completed within fund target in year	% completed within fund target in previous year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	5 days	99%	100%
Communication issued confirming the amount of dependents pension	5 days	96%	99%
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	10 days	85%	93%
Communication issued to active member with confirmation of pension and lump sum options (actual)	5 days to 31 December 2023 and 10 days from 1 January 2024	85%	93%
Communication issued with deferred benefit options	15 days	96%	95%
Communication issued to scheme member with completion of transfer in	10 days	97%	98%
Communication issued to scheme member with completion of transfer out	10 days	98%	93%
Divorce quotation	10 days	58%	95%
Communication issued to new starters	2 months	99%	96%
Member estimates requested by scheme member and employer	10 days	77%	95%

Scheme Administration (continued)

Key Performance Indicators continued

Communications and Engagement

Engagement with online portals	Percentage as at 31 March
% of active members registered	56%
% of deferred member registered	46%
% of pensioner and survivor members	62%
% total of all scheme members registered for self-service	52%
% of all registered users that have logged onto the service in the last 12 months	18%

Communication	As at 31 March
Total number of telephone calls received in year	11,305
Total number of email and online channel queries received	18,838
Number of scheme member events held in year (total of in-person and online)	6
Number of employer engagement events held in year (in-person and online)	12
Number of times a communication (i.e. newsletter) issued to:	
a) Active members	Annually
b) Deferred members	Annually
c) Pensioners	Annually

Age band	% of registered users on MSS	Number of users registered on MSS
0-20	15.9%	83
21-25	30.7%	446
26-30	37.5%	951
31-35	38.0%	1,544
36-40	40.7%	2,262
41-45	44.9%	3,042
46-50	48.7%	3,331
51-55	54.3%	4,592
56-60	62.8%	5,548
61-65	70.7%	5,169
66-70	70.7%	4,150
71-75	57.0%	2,545
76-80	46.1%	1,601
81-85	37.0%	631
86-90	29.0%	251
Over 90	23.4%	105

Scheme Administration (continued)

Key Performance Indicators continued

Resources

Resources	
Total number of all administration staff (FTE)	47.47
Average service length of all administration staff	9 years
Staff vacancy rate as a %	7%
Ratio of all administration staff to total number of scheme members (all staff including management)	1:2,103
Ratio of administration staff (excluding management) to total number of scheme members	1:2,245

Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	100%
Data category	
Common data score	96.50%
Scheme specific data score	80.89%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	3.38%
Percentage of active, deferred and pensioner members with an email address held on file	59.23%
Employer performance	
Percentage of employers set up to make monthly data submissions	99.40%
Percentage of employers who submitted monthly data on time during the reporting year	20.15%

Scheme Administration (continued)

Contributors to the Fund

Active Employers as at 31st March 2024

Type Of Body	Number of Active Employers
Administering (AA)	**1**
Scheduled (S)*	**249**
Admitted (Ad)	**111**
Total	**361**

The table, left, shows employers in the fund as at the 31st March 2024, the breakdown of contributions by employer shown below will have different numbers of employers to the statement of accounts, as employers joined and left the fund throughout the year, an active or ceased column has been added to show this movement. Where contributions exist for ceased employers, this will be where prior year adjustments have been made within 2023-24, or contribution receipts recorded within the period.

LEA schools are included within Scheduled Bodies but not in the above figures as they belong to their responsible local authorities, and in the table below they are shown in the Body column as S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Abbey College Academy	72,061	206,834	278,895		S
Abbotts Ripton School (CCC)	8,254	31,326	39,580		S*
ABM (Eynesbury Primary)	0	-6,000	-6,000	Y	Ad
ABM Catering (Brewster Avenue Infant School)	2,126	13,646	15,772		Ad
ABM Catering (Oakdale Primary School)	1,093	4,253	5,346		Ad
ABM Catering (St Augustine's)	1,130	4,640	5,770		Ad
ABM Catering (Vine Inter-Chur)	1,143	4,295	5,438		Ad
ABM Catering Limited (Alderman Jacobs)	1,982	6,344	8,326		Ad
ABM Catering Limited (Heltwate Primary and Marshfields Primary School)	300	1,233	1,533		Ad
ABM Catering Limited (St John's CE Primary School (Huntingdon))	178	755	933		Ad
ABM Catering Limited (The Beeches Primary and Hampton Hargate Primary)	645	2,647	3,292		Ad
Active Learning Trust (HQ)	102,002	205,800	307,802		S
Advanced Cleaning (Bur&Neth)	367	1,416	1,783		Ad
Advanced Cleaning Services (Weatheralls)	302	1,269	1,571		Ad
Alconbury C of E Primary (CCC)	21,589	81,390	102,979		S*
Alderman Jacobs Academy	54,034	170,243	224,277		S
Alderman Payne Primary (CCC)	12,310	46,906	59,216		S*
All Saints Inter Church Academy	15,811	70,053	85,864		S
All Saints' Primary School (PCC)	34,285	134,964	169,249		S*
Aramark (Cambridge Regional College)	1,992	13,402	15,394		Ad

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Arbury Primary School (CCC)	21,036	80,452	101,488		S*
Arthur Mellows VC Academy	123,159	361,320	484,479		S
Ashbeach Primary School (CCC)	14,083	52,637	66,720		S*
Aspens (All Saints Inter Church Academy)	3,893	24,687	28,580		Ad
Aspens (Castle Camps)	232	739	971		Ad
Aspens (Diamond Learning Partnership Trust)	679	2,483	3,162		Ad
Aspens (Hemingford Grey)	7,274	32,238	39,512	Y	Ad
Aspens (Little Paxton)	3,012	12,294	15,306		Ad
Aspens (Over Primary School)	-139	-447	-586		Ad
Aspens (Park Street)	34	137	171		Ad
Aspens (Sacred Heart)	1,011	3,736	4,747		Ad
Aspens (The Harbour School)	229	882	1,111		Ad
Aspens Services (Bourn Primary Sch)	1,224	4,895	6,119		Ad
Aspens Services (Fulbourn Primary)	972	6,219	7,191	Y	Ad
Aspens Services Ltd (St Botolphs Primary)	1,460	4,525	5,985		Ad
Aspens Services Ltd (Cottenham VC)	140	543	683		Ad
Avocet (St Bede's School)	265	1,208	1,473		Ad
Babraham CE Primary Academy	4,039	18,060	22,099		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Balfour Beatty	2,841	3,759	6,600		Ad
Balsham Parish Council	985	3,680	4,665		S
Bar Hill Community Primary School	20,779	74,574	95,353		S
Bar Hill Parish Council	1,808	6,482	8,290		S
Barnabas Oley CE Primary School	11,137	42,614	53,751		S*
Barnack CE Primary School (PCC)	11,433	46,138	57,571		S*
Barrington CE Primary (CCC)	13,647	52,375	66,022		S*
Barton CE (VA) Primary School	10,628	39,788	50,416		S*
Bassingbourn Primary (CCC)	24,649	91,446	116,095		S*
Bassingbourn V C Academy	25,633	80,538	106,171		S
Beaupre CP School (CCC)	15,661	58,256	73,917		S*
Bellbird School (CCC)	29,927	113,530	143,457		S*
Benwick Primary School (CCC)	11,864	44,796	56,660		S*
Bewick Bridge C P School (CCC)	20,104	74,775	94,879		S*
Bishop Creighton Academy	18,553	52,284	70,837		S
Bottisham Community Primary Academy	22,019	96,303	118,322		S
Bottisham VC Academy	165,510	456,361	621,871		S
Bourn Primary Sch-Academy	11,222	35,227	46,449		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Brampton Village School (CCC)	42,370	159,964	202,334		S*
Braybrook Primary School Academy	17,522	65,801	83,323		S
Bretton Parish Council	3,798	11,978	15,776		S
Brewster Avenue School (PCC)	18,386	74,111	92,497		S*
Brington CE Primary School (CCC)	9,841	37,075	46,916		S*
Brunswick Nursery School (CCC)	13,549	49,892	63,441		S*
Buckden CE Primary Sch-Academy	35,053	114,758	149,811		S
Burnt Fen I D B	3,421	10,789	14,210		S
Burrough Green Primary (CCC)	9,314	35,634	44,948		S*
Burrowmoor Primary Academy	32,223	106,164	138,387		S
Burwell Parish Council	2,120	6,685	8,805		S
Burwell VC Primary (CCC)	23,576	86,960	110,536		S*
Bury CE Primary School	8,048	32,264	40,312		S
Bushmead Primary School (CCC)	33,386	123,967	157,353		S*
Caldecote Primary School (CCC)	15,284	56,992	72,276		S*
Cambourne Parish Council	27,426	85,331	112,757		S
Cambourne Village College Academy	101,996	316,624	418,620		S
Cambridge & Peterborough NHS Foundation Trust	8,662	47,707	56,369		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Cambridge BID Ltd	2,978	7,709	10,687		Ad
Cambridge City Council	1,960,473	13,601,594	15,562,067		S
Cambridge Maths School	4,270	12,295	16,565		S
Cambridge Meridian Academy Trust (HQ staff)	226,513	539,735	766,248		S
Cambridge Regional College	515,808	1,956,262	2,472,070		S
Cambridgeshire & Pboro CCG (NHS)	13,866	349,354	363,220		Ad
Cambridgeshire and Peterborough Combined Authority	478,320	1,167,045	1,645,365		S
Cambridgeshire County Council	8,360,945	26,840,727	35,201,672		AA
Cambs & P'boro Fire Authority	455,756	1,576,675	2,032,431		S
Cambs Chief Constable	2,071,329	7,104,293	9,175,622		S
Cambs Police & Crime Commissioner	63,900	187,714	251,614		S
Care Quality Commisson	7,628	0	7,628		Ad
Castle Camps Primary (CCC)	9,072	34,842	43,914		S*
Castle School (CCC)	109,981	409,750	519,731		S*
Castor CE Primary School (PCC)	13,516	54,313	67,829		S*
Cater Link Ltd (Sir Harry Smith College)	2,935	12,074	15,009		Ad
Caterlink (Active L T)	14,375	53,968	68,343		Ad
CaterLink (Diamond Learning Partnership Trust)	0	0	0	Y	Ad

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Caterlink (Priory Park Infant School)	255	982	1,237		Ad
Caterlink (The Cam Academy Trust)	5,998	19,343	25,341		Ad
Caterlink (The Diamond L P)	0	-35,000	-35,000	Y	Ad
Cavalry Primary School	47,070	172,312	219,382		S
Caverstede Nursey School	25,276	99,660	124,936		S*
Chatteris Town Council	3,687	12,732	16,419		S
Cherry Hinton Primary (CCC)	19,905	76,385	96,290		S*
Chesterton Community College	62,623	169,854	232,477		S
Chesterton Primary Academy	8,092	26,322	34,414		S
Cheveley Primary School (CCC)	6,679	25,766	32,445		S*
Chorus Homes Group Limited	0	81,321	81,321		Ad
Churchill Contract Services (Meridian)	9,359	56,157	65,516		Ad
City College Peterborough	220,048	760,764	980,812		S
City of Ely Council	33,388	114,370	147,758		S
City of Peterborough Academy	62,139	164,558	226,697		S
Clarion Housing Association Limited	13,062	0	13,062		Ad
Clarkson Infants School (CCC)	17,578	64,540	82,118		S*
CleanTec (Godmanchester)	675	2,333	3,008		Ad
Coates Primary School (CCC)	20,940	79,016	99,956		S*
Collections Trust	2,586	25,026	27,612		Ad
Colleges Nursery School (CCC)	17,343	65,052	82,395		S*
Colville Primary School (CCC)	22,876	84,954	107,830		S*
Comberton Academy Trust (HQ)	50,398	123,454	173,852		S
Comberton VC Academy	186,895	565,515	752,410		S
Compass (Hinchingbrook)	1,786	5,495	7,281		Ad
Compass Contract Services (Staploe ET)	2,841	10,480	13,321		Ad
Conservators of the River Cam	0	51,038	51,038	Y	Ad
Coombs Catering-Leighton Prim	709	2,902	3,611		Ad
Coton C of E Primary School (CCC)	10,265	39,389	49,654		S*
Cottenham Primary School (CCC)	41,144	154,216	195,360		S*
Cottenham VC Academy	53,625	169,514	223,139		S
CRCC - Cambridge Rape Crisis Centre	2,469	8,053	10,522		Ad
Cromwell Academy	16,654	57,874	74,528		S
Cromwell Comm College (Academy)	111,910	469,672	581,582		S
Cross Keys Homes Ltd	1,098	20,694	21,792		Ad
Crosshall Infants Academy	39,592	124,918	164,510		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Crosshall Juniors Academy	39,934	131,376	171,310		S
Cucina Ltd	744	175	919		Ad
Diocese of Ely Multi Academy Trust (DEMAT) HQ Staff	46,105	215,280	261,385		S
Discovery Primary Academy	43,620	138,205	181,825		S
Ditton Lodge Primary School	16,367	58,815	75,182		S
Dogsthorpe Academy	26,107	125,798	151,905		S
Dogsthorpe Infant School	23,149	89,366	112,515		S
Dolce Limited (Elliot Foundation MAT)	9,486	33,558	43,044		Ad
Downham Feoffees Primary Academy	6,110	22,653	28,763		S
Dry Drayton Primary (CCC)	6,331	24,117	30,448		S*
Duke of Bedford School (PCC)	23,903	97,075	120,978		S*
Duxford Primary School (CCC)	16,244	61,536	77,780		S*
Earith Primary Academy	9,706	39,386	49,092		S
East Cambs District Council	455,278	1,623,445	2,078,723		S
East of England Local Government Association (EEDA/EERA)	82,937	295,842	378,779		Ad
Eastfield Inf and Nursery (CCC)	19,930	75,420	95,350		S*
Easy Clean (TDET)	1,048	8,477	9,525		Ad
Easy Clean (Upwood Primary School)	313	1,672	1,985		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Easy Clean Contractors Limited (Nova Primary & Thorpe Primary)	4,428	25,274	29,702		Ad
Ecovert FM Ltd	1,771	0	1,771		Ad
Edwards & Blake Ltd (Coates Primary School)	429	1,654	2,083		Ad
Edwards and Blake (Godmanchester Community Education Trust)	538	1,859	2,397		Ad
Edwards and Blake (Stukeley Meadows)	680	2,621	3,301		Ad
Edwards and Blake Ltd (Bassingbourn Primary)	1,119	4,089	5,208		Ad
Elm Cof E Primary Academy	17,114	57,241	74,355		S
Elm Road Primary School	15,219	62,896	78,115		S
Elsworth CE (A) Primary School (CCC)	8,148	31,116	39,264		S*
Elton Church School (CCC)	11,439	42,457	53,896		S*
Ely (City of) College - Academy	74,118	230,012	304,130		S
Ely St John Primary (CCC)	27,857	104,147	132,004		S*
Ermine Street Church Academy	12,823	43,120	55,943		S
Ernulf Academy	38,168	112,391	150,559		S
Everyone Health Limited	1,444	5,720	7,164		Ad
Excellerate Services UK Ltd (Huntingdon Youth Centre)	38	122	160		Ad
Eye C of E Primary School (PCC)	52,228	200,068	252,296		S*
Eye Parish Council	575	2,031	2,606		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Eynesbury CE School (CCC)	16,921	63,784	80,705		S*
Eyrescroft Primary School	34,987	140,757	175,744		S
Family Psychology Mutual	12,670	45,486	58,156		Ad
Farcet CE Primary Academy	8,850	38,758	47,608		S
Farcet Parish Council	677	2,646	3,323		S
Fawcett Primary School	35,885	131,462	167,347		S*
Feldale IDB	0	8,301	8,301	Y	S
Fen Ditton Primary Academy	8,914	32,085	40,999		S
Fen Drayton Primary (CCC)	11,971	45,798	57,769		S*
Fenland District Council	664,696	4,399,922	5,064,618		S
Fenstanton Primary School (CCC)	17,658	65,326	82,984		S*
Fields Early Years Centre (CCC)	18,558	67,602	86,160		S*
Folksworth CE Primary (CCC)	7,471	28,502	35,973		S*
Fordham Primary School (CCC)	27,702	106,797	134,499		S*
Fourfields Primary School (CCC)	45,965	168,689	214,654		S*
Fowlmere Primary School (CCC)	4,674	17,781	22,455		S*
Foxton Primary School (CCC)	8,159	30,972	39,131		S*
Freedom Leisure (Fenland DC)	29,222	93,011	122,233		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Friday Bridge Primary (CCC)	9,170	35,326	44,496		S*
Fulbourn Primary School (CCC)	25,612	94,008	119,620		S*
Fulbridge Academy	106,816	323,778	430,594		S
Fusion	1,779	5,721	7,500		Ad
Gamlingay First School Academy	40,401	165,282	205,683		S
Gamlingay Parish Council	5,047	17,620	22,667		S
Girton Glebe Primary School	20,525	90,685	111,210		S
Gladstone Primary Academy	45,772	163,156	208,928		S
Glebelands Primary Academy	36,317	139,142	175,459		S
GLL - Greenwich Leisure Ltd	4,678	0	4,678		Ad
Godmanchester Community & Bridge Academies	43,406	146,458	189,864		S
Gorefield Primary Academy	16,927	60,592	77,519		S
Goshen Multi Ser (CambsCity)	1,389	9,009	10,398		Ad
Goshen Multiservices Ltd	933	5,829	6,762		Ad
GPC Skills Ltd	2,222	5,653	7,875		Ad
Granta School (CCC)	100,989	360,603	461,592		S*
Great Abington Primary (CCC)	9,456	35,422	44,878		S*
Great and LT Shelford (CCC)	21,337	81,819	103,156		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Great Gidding CE Primary (CCC)	1,345	5,098	6,443		S*
Great Paxton C of E Primary (CCC)	9,749	35,837	45,586		S*
Great Staughton Academy	9,573	42,418	51,991		S
Great Wilbraham CofE Primary Academy	4,106	14,247	18,353		S
Great Wilbraham Primary (CCC)	3,900	14,364	18,264		S*
Greater Peterborough UTC	27,637	85,148	112,785		S
Guilden Morden Academy	8,194	26,616	34,810		S
Guyhirn C of E Primary Academy	7,728	30,811	38,539		S
Haddenham Level Drainage Commissioners	2,197	6,928	9,125		S
Haddenham Parish Council	2,517	8,327	10,844		S
Hampton College Academy	138,070	400,075	538,145		S
Hampton Gardens Academy	60,367	179,957	240,324		S
Hampton Hargate Primary (PCC)	57,381	221,215	278,596		S*
Hampton Lakes Academy	22,090	75,481	97,571		S
Hampton Vale Primary Academy	53,848	182,715	236,563		S
Hardwick Primary (CCC)	44,003	164,790	208,793		S*
Harston and Newton P Sch (CCC)	13,825	52,500	66,325		S*
Hartford Infant School	19,073	63,320	82,393		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Hartford Junior School	22,859	77,053	99,912		S
Haslingfield Primary (CCC)	9,670	36,610	46,280		S*
Hatton Park School	20,429	67,004	87,433		S
Hauxton Primary School (CCC)	9,675	38,622	48,297		S*
HCL (The Ashbeach Primary Sch)	1,201	4,042	5,243		Ad
Heltwate School (PCC)	90,279	354,177	444,456		S*
Hemingford Grey Primary School	21,319	80,468	101,787		S*
Heritage Park School (PCC)	16,399	65,310	81,709		S*
Hertfordshire Catering Limited (Barrington CofE VC Primary School)	1,309	4,667	5,976		Ad
Hertfordshire Catering Limited (Harston & Newton Community Primary School)	854	2,996	3,850		Ad
Hertfordshire Catering Limited (Hauxton Primary School)	833	3,053	3,886		Ad
Hertfordshire Catering Limited (Melbourn Primary School)	1,810	6,528	8,338		Ad
Hertfordshire Catering Limited (Petersfield CofE Aided Primary School)	401	1,498	1,899		Ad
Highfield Ely Academy	92,079	313,343	405,422		S
Highfield Littleport Academy	63,738	195,268	259,006		S
Highlees Primary School	31,793	142,012	173,805		S
Hills Road Sixth Form College	203,411	779,859	983,270		S
Hinchingbrooke School	155,733	444,877	600,610		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Histon and Imp Brook Prim School	29,885	96,314	126,199		S
Histon and Imp Park Prim School	18,694	60,699	79,393		S
Histon and Impington Parish Council	6,137	19,978	26,115		S
Histon Early Years Centre (previously known as Histon Nursery School)	33,066	123,177	156,243		S*
Holme Church of England Primary Academy	7,450	32,239	39,689		S
Holywell CE(C)School (CCC)	14,595	55,946	70,541		S*
Homerton College	242,134	670,880	913,014		Ad
Homerton Early Years Centre (Nursey School) (CCC)	22,199	82,624	104,823		S*
Houghton Primary School (CCC)	17,948	67,315	85,263		S*
Huntingdon Nursey School (CCC)	26,694	114,170	140,864		S*
Huntingdon Primary School (CCC)	43,351	164,162	207,513		S*
Huntingdon Town Council	78,844	245,290	324,134		S
Huntingdonshire District Council	1,267,716	4,822,844	6,090,560		S
Impington Village College	210,696	537,082	747,778		S
Industrial Site Maintenance Ltd	1,266	6,855	8,121		Ad
Innovate (Anglian Learning)	18,573	58,794	77,367		Ad
Inspire Education Group	641,134	2,284,817	2,925,951		S
Isle of Ely Academy	29,661	90,944	120,605		S
Isleham Primary School (CCC)	15,195	56,850	72,045		S*
Jeavons Wood Primary Academy	37,746	120,541	158,287		S
Kelsey Kerridge S H	12,941	0	12,941		Ad
Ken Stimpson Community School (PCC)	32,843	122,989	155,832		S*
Ken Stimpson School	51,635	184,513	236,148		S
Kennett Community School (Academy)	8,387	30,158	38,545		S
Kettlefields Primary (CCC)	8,128	30,422	38,550		S*
Kimbolton Primary Academy	10,586	33,899	44,485		S
Kimbolton School (Independent School)	12,233	-407,000	-394,767		Ad
Kinderley Primary School (CCC)	8,815	33,293	42,108		S*
Kings Hedges Primary (CCC)	46,394	170,337	216,731		S*
Kingsfield Primary School Academy	28,160	90,105	118,265		S
Lantern CP School Academy	33,078	127,266	160,344		S
Leighton Primary School	47,796	181,539	229,335		S
Leverington Primary Academy	23,011	69,517	92,528		S
Lime Academy Abbotsmede	39,188	154,517	193,705		S
Lime Academy Orton	86,310	358,296	444,606		S
Lime Academy Parnwell	27,452	102,157	129,609		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Lime Academy Watergall	33,918	117,009	150,927		S
Linton Heights Junior Academy	15,962	49,135	65,097		S
Linton Infants School (CCC)	18,646	70,697	89,343		S*
Linton Parish Council	5,500	21,725	27,225		S
Linton VC Academy	48,208	147,160	195,368		S
Lionel Walden School (CCC)	24,458	91,504	115,962		S*
Little Downham Parish Council	2,148	6,811	8,959		S
Little Paxton Parish Council	4,354	14,531	18,885		S
Little Paxton School (CCC)	28,042	105,846	133,888		S*
Little Thetford CofE Primary School	3,850	14,380	18,230		S
Little Thetford Primary (CCC)	3,715	12,152	15,867		S*
Littleport & East Cambridgeshire Academy	32,401	100,258	132,659		S
Littleport and Downham I D B	9,409	33,289	42,698		S
Littleport CP School (CCC)	39,304	147,293	186,597		S*
Long Road Sixth Form College	132,474	458,620	591,094		S
Longsands Academy	69,216	204,292	273,508		S
Lunchtime Company (CPET)	1,424	4,743	6,167		Ad
Lunchtime Company (Ely St Johns)	633	4,432	5,065		Ad

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Lunchtime Company (Fordham)	515	3,604	4,119		Ad
Lunchtime Company (Great Wilbraham)	722	5,051	5,773		Ad
Lunchtime Company Ltd (Grove Primary)	520	2,003	2,523		Ad
Lunchtime Company Ltd (Hardwick & Cambourne Community Primary School)	404	1,478	1,882		Ad
Manea Primary School (CCC)	26,968	101,055	128,023		S*
Manor Drive Prim Academy	10,766	29,951	40,717		S
Manor Drive Sec Academy	23,435	66,756	90,191		S
Marleigh Primary Academy	11,988	39,459	51,447		S
Martin Bacon Academy	36,066	100,535	136,601		S
Mayfield Primary School (CCC)	35,351	131,314	166,665		S*
Meadow Primary School	11,210	35,604	46,814		S
Meadowgate Academy	94,505	316,256	410,761		S
Mears Ltd	44,921	0	44,921		Ad
Mears Ltd (SCDC)	9,474	0	9,474		Ad
Medeshamsted Academy	26,273	81,407	107,680		S
Melbourn Primary School (CCC)	34,321	129,291	163,612		S*
Melbourn VC Academy	57,616	179,103	236,719		S
Meldreth Primary School (CCC)	22,562	85,854	108,416		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Mepal & Wicham CofE Primary Academy	8,430	28,015	36,445		S
Meridian School (CCC)	14,801	59,672	74,473		S*
Middle Fen and Mere I D B	27,121	74,218	101,339		S
Middle Level Commissioners	56,080	166,599	222,679		S
Middlefield CP School Academy	15,153	49,491	64,644		S
Milestone Infrastructure Ltd (M Group Services)	9,890	25,987	35,877		Ad
Millfield Primary School	33,720	130,024	163,744		S
Milton Primary Academy	12,971	50,593	63,564		S
Milton Road Primary Sch (CCC)	29,518	108,293	137,811		S*
Mitie PFI Limited	1,613	0	1,613		Ad
Monkfield Park School (CCC)	30,200	103,091	133,291		S*
Morley Memorial School (CCC)	34,537	123,744	158,281		S*
Mountain Healthcare Ltd	190	775	965		Ad
Murrow Primary School Academy	15,136	45,214	60,350		S
Neale Wade Academy	99,171	425,668	524,839		S
Nene Gate School	22,904	71,436	94,340		S
Nene Park Academy	64,598	188,144	252,742		S
New Road Primary & Nursery School	25,088	89,271	114,359		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Newark Hill Primary Academy	28,135	125,162	153,297		S
Newborough & Borough Fen Parish Council	1,036	3,860	4,896		S
Newborough Primary (PCC)	18,348	73,576	91,924		S*
Newnham Croft Primary (CCC)	16,658	63,170	79,828		S*
Nightingale Cleaning Limited - CMAT Schools	2,197	30,081	32,278		Ad
Nightingale Cleaning Limited - CPET Schools	256	885	1,141		Ad
North Cambridge Academy	38,419	113,422	151,841		S
North Level IDB	48,479	139,600	188,079		S
Northstowe Secondary College	36,120	128,274	164,394		S
Norwood Primary School (PCC)	19,688	75,099	94,787		S*
Oakington CofE Primary School Academy	5,184	21,937	27,121		S
OCS Food Co Limited (Ditchburn Place)	1,867	5,936	7,803	Y	Ad
OCS UK&I Limited (Huntingdon Youth Centre)	937	3,014	3,951		Ad
Offord Primary School	7,238	29,417	36,655		S
Old Fletton Primary School (PCC)	40,619	159,978	200,597		S*
Olive AP Academy - Cambridge	15,336	46,995	62,331		S
Olive AP Academy - Nene Valley	16,253	49,953	66,206		S
Orchard Park Comm School (CCC)	13,743	50,874	64,617		S*

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Orchards CoE Primary Academy	38,253	133,880	172,133		S
Ormiston Bushfield Academy	91,632	248,459	340,091		S
Ormiston Meadows Academy	25,747	118,001	143,748		S
Orton Longueville Parish Council	461	1,475	1,936		S
Orton Waterville Parish Council	1,151	5,334	6,485		S
Over Primary School (CCC)	15,156	57,420	72,576		S*
OWN Trust	121,166	424,452	545,618		S
Oxford Archaeology	68,005	194,579	262,584		Ad
Pabulum (Morley Memorial Primary School)	1,304	4,767	6,071		Ad
Pabulum (St Bede's Inter-Church School)	706	3,211	3,917		Ad
Pabulum Ltd (Discovery A P'b)	4,594	15,119	19,713		Ad
Pabulum Ltd (Hardwick & Cambourne Community Primary School)	698	2,600	3,298		Ad
Park Lane Primary & Nursey School	37,946	144,471	182,417		S
Park Street CE (A) Primary (CCC)	25,561	39,819	65,380		S*
Paston Ridings Primary (PCC)	42,294	169,319	211,613		S*
Pathfinder CofE Primary School	29,701	114,630	144,331		S
Pathfinder Legal Services Ltd (CCC)	186,327	590,274	776,601		S
Peakirk Cum Glinton Primary School (PCC)	20,907	83,803	104,710		S*
Peckover Primary School	43,262	168,999	212,261		S
Pendragon CP School (CCC)	27,237	103,866	131,103		S*
Peterborough City Council	3,188,699	10,360,175	13,548,874		S
Peterborough Keys Academies Trust (comprising of Ravensthorpe Primary, Thorpe Primary, Jack Hunt, Longthorpe Primary, Middleton Primary)	362,282	1,040,003	1,402,285		S
Peterborough Ltd t/a Aragon Direct Services	149,909	420,612	570,521		Ad
Peterborough Regional College	0	981	981	Y	S
Petersfield Primary School (CCC)	8,211	31,414	39,625		S*
Priory Junior School (CCC)	19,407	73,013	92,420		S*
Priory Park Infants School (CCC)	29,262	111,220	140,482		S*
Queen Edith School (CCC)	37,188	138,536	175,724		S*
Queen Emma Primary School (CCC)	40,150	152,117	192,267		S*
Queen Katharine Academy (Previously known as The Voyager Academy)	98,455	343,316	441,771		S
Queens Drive Infant School	27,779	108,588	136,367		S*
Rackham CE School (CCC)	32,579	123,462	156,041		S*
Radis (Ditchburn Place)	16,569	45,494	62,063		Ad
Radis Community Care	9,403	0	9,403		Ad
Ramnoth Junior School	32,065	110,432	142,497		S
Ramsey Junior School	17,097	67,673	84,770		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Ramsey Spinning Infant School	14,488	60,616	75,104		S
Ramsey Town Council	1,771	5,489	7,260		S
Rapid Commercial Cleaning Services Limited	2,443	9,558	12,001		Ad
RCCN (Astrea MAT)	5,164	19,048	24,212		Ad
Richard Barnes Academy	36,504	146,922	183,426		S
Ridgefield Junior (CCC)	24,608	93,984	118,592		S*
Riverside Meadows Academy	33,679	117,996	151,675		S
Robert Arkenstall Primary (CCC)	22,897	86,375	109,272		S*
Round House C. P. School	32,549	96,224	128,773		S
Sacred Heart Catholic Primary School	16,729	73,360	90,089		S
Samuel Pepys School (CCC)	58,958	217,208	276,166		S*
Sanctuary Group	6,060	0	6,060		Ad
Sawston Parish Council	8,262	28,684	36,946		S
Sawston VC Academy	88,504	253,364	341,868		S
Sawtry Infants School (CCC)	19,889	76,532	96,421		S*
Sawtry Junior Academy	13,515	55,268	68,783		S
Sawtry Parish Council	4,581	16,424	21,005		S
Sawtry Village Academy	48,574	146,922	195,496		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Serco Limited (PCC)	213,371	0	213,371		Ad
ServiceMaster Ltd (Kingsfield Primary School)	790	2,642	3,432		Ad
Shade Primary School Academy	25,863	77,707	103,570		S
Shirley Community Primary School and Pre-School (CCC)	45,276	167,349	212,625		S*
Sir Harry Smith Community College	81,176	310,671	391,847		S
Soham Town Council	6,491	22,943	29,434		S
Soham VC Academy	103,318	315,034	418,352		S
Soke Education Trust	115,975	473,696	589,671		S
Somersham Parish Council	3,618	13,653	17,271		S
Somersham Primary School	22,951	105,032	127,983		S
South Cambridgeshire District Council	1,579,451	5,830,842	7,410,293		S
Southfields Primary School (PCC) (Was Southfields Junior School)	57,055	222,560	279,615		S*
Spaldwick Primary School	10,517	43,225	53,742		S
Spinney Primary School (CCC)	14,546	54,690	69,236		S*
Spring Common Academy	102,664	411,511	514,175		S
Spring Meadow Infants (CCC)	28,138	105,151	133,289		S*
St Albans RC Primary (CCC)	14,176	52,768	66,944		S*
St Andrews CofE Academy (Soham, Ely)	33,152	140,427	173,579		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
St Anne's CE Primary (CCC)	17,394	65,378	82,772		S*
St Augustines CE Junior School (PCC)	21,101	83,176	104,277		S*
St Bedes Inter Church School Academy	53,551	230,180	283,731		S
St Botolphs CE Primary Academy	25,543	88,249	113,792		S
St Helen's Primary School (CCC)	12,582	49,229	61,811		S*
St Ives Town Council	21,952	78,131	100,083		S
St Ivo School Academy	72,971	223,145	296,116		S
St John Fisher	72,605	267,578	340,183		S*
St John Henry Newman Catholic Primary School	12,577	49,394	61,971		S
St John's Academy (Stanground)	13,268	55,895	69,163		S
St John's CoE Primary Academy (Huntingdon)	30,086	124,426	154,512		S
St Laurence Catholic Primary School	17,313	62,371	79,684		S
St Luke's C of E Primary School Academy	6,537	29,398	35,935		S
St Mary's CofE Junior Ely	23,577	92,058	115,635		S
St Marys St Neots Academy	6,284	19,729	26,013		S
St Matthew's Primary Sch (CCC)	46,884	174,179	221,063		S*
St Michaels CE Prim Sch (PCC)	51,689	204,960	256,649		S*
St Neots Town Council	46,870	148,849	195,719		S

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
St Pauls CE Primary (CCC)	7,072	25,779	32,851		S*
St Peters CofE Academy (Wisbech)	23,056	109,699	132,755		S
St Peter's School HD Academy	122,814	370,477	493,291		S
St Philips C OF E Primary (CCC)	21,746	80,484	102,230		S*
St Thomas More Catholic Primary School	34,015	153,721	187,736		S
Stanground Academy	80,301	340,442	420,743		S
Stapleford Primary Academy	16,151	60,256	76,407		S
Steeple Morden C OF E (CCC)	14,090	54,312	68,402		S*
Stephen Perse Foundation	4,699	13,292	17,991		Ad
Stilton Church of England Primary School	9,461	38,771	48,232		S
Stretham Primary School (CCC)	15,717	60,395	76,112		S*
Stukeley Meadows School (CCC)	33,034	124,928	157,962		S*
Sutton CE Primary School (CCC)	28,027	105,522	133,549		S*
Sutton Parish Council	2,513	8,430	10,943		S
Swaffham Bulbeck CE Prim Academy	7,831	29,507	37,338		S
Swaffham Internal Drainage Board	2,386	7,526	9,912		S
Swaffham Prior CE Prim Academy	8,189	24,723	32,912		S
Swavesey Parish Council	1,816	5,729	7,545		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
Swavesey Primary School (CCC)	31,068	114,461	145,529		S*
Swavesey VC Academy	79,638	236,758	316,396		S
Taylor Shaw (CMAT)	9,778	17,991	27,769		Ad
Taylor Shaw (Elliott Foundation AT)	0	-107,000	-107,000	Y	Ad
Taylor Shaw Ltd (Abbey College Academy)	4,924	15,767	20,691		Ad
Taylor Shaw Ltd (Ernulf Academy)	1,291	4,092	5,383	Y	Ad
Teversham C of E Primary (CCC)	20,327	76,285	96,612		S*
The Beeches Primary School (PCC)	37,867	147,168	185,035		S*
The Cavendish School	37,561	130,097	167,658		S
The Centre School Academy	5,736	15,008	20,744		S
The Galfrid School	24,919	107,589	132,508		S
The Grove Primary School (CCC)	34,772	130,483	165,255		S*
The Harbour School	37,308	144,623	181,931		S
The Harbour School (CCC)	0	197	197	Y	S*
The Icknield Primary School	12,513	49,010	61,523		S
The King's (Cathedral) School	80,465	249,140	329,605		S
The Nene Infant & Nursery School	34,425	107,765	142,190		S
The Netherhall School	0	10,104	10,104		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
The Netherhall School	76,017	279,741	355,758		S
The Newton Community Primary School (CCC)	7,039	27,159	34,198		S*
The Weatheralls Primary School	33,282	134,513	167,795		S
Thomas Clarkson Academy	87,090	324,484	411,574		S
Thomas Deacon Academy	262,446	716,411	978,857		S
Thomas Eaton Primary Academy	19,890	81,344	101,234		S
Thongsley Fields Primary and Nursery School	26,274	93,530	119,804		S
Thorndown Community Primary (CCC)	51,033	193,926	244,959		S*
Thorney Parish Council	1,640	6,080	7,720		S
Thriplow CE Primary Academy	5,109	22,158	27,267		S
TNS Catering (Linton Cluster)	507	1,956	2,463		Ad
Townley Primary School (CCC)	14,987	57,474	72,461		S*
Trumpington Meadows Primary School	21,926	81,670	103,596		S*
Trumpington Park Primary Academy	24,235	75,882	100,117		S
TSG Building Services Ltd	5,354	0	5,354		Ad
United Learning (previously CAP)	166,217	450,298	616,515		S
University of Cambridge Primary School	41,201	123,484	164,685		S
Upwood Primary Academy	16,266	68,589	84,855		S

Scheme Administration (continued)

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
VHS Cleaning (Linton VC)	749	2,538	3,287		Ad
VHS Cleaning (Netherhall)	294	1,181	1,475		Ad
VHS Cleaning (Stapleford Community Primary School)	256	959	1,215		Ad
VHS Cleaning Services (Bassingbourn VC and Sawston VC)	404	1,272	1,676		Ad
Vine Inter Church School (CCC)	35,812	130,994	166,806		S*
Warboys Primary Academy	28,683	128,871	157,554		S
Waterbeach CP School (CCC)	34,688	129,574	164,262		S*
Waterbeach Level Internal Drainage Board	2,420	7,632	10,052		S
Waterbeach Parish Council	2,031	6,406	8,437		S
Welbourne Primary Academy	30,518	135,729	166,247		S
Welland Primary School	37,819	128,467	166,286		S
West Town Primary Academy	23,705	95,106	118,811		S
Westfield Junior School (CCC)	25,594	97,806	123,400		S*
Westwood Primary School	74,100	243,673	317,773		S
Wheatfields Primary School (CCC)	33,826	126,300	160,126		S*
Whittlesey Internal Drainage Board	2,665	8,404	11,069		S
Whittlesey Town Council	2,589	8,189	10,778		S
Wilburton CE Primary (CCC)	12,471	47,516	59,987		S*

Employer	Employee Contributions £	Employer Contributions £	Grand Total £	Ceased	Body
William De Yaxley CofE Academy	12,327	47,527	59,854		S
William Law CE Primary School	47,489	185,787	233,276		S
William Westley CE (CCC)	14,845	55,950	70,795		S*
Willingham Primary School (CCC)	32,569	120,308	152,877		S*
Wimblington Parish Council	720	2,684	3,404		S
Winhills Primary School Academy	71,461	157,619	229,080		S
Wintringham Primary Academy	17,526	61,947	79,473		S
Wisbech and Fenland Museum	2,465	12,118	14,583		Ad
Wisbech Grammar School	0	55,225	55,225	Y	Ad
Wisbech St Marys CE Primary Academy	19,377	79,250	98,627		S
Wisbech Town Council	6,295	20,559	26,854		S
Witcham Parish Council	546	2,037	2,583		S
Witchford Village College	59,572	171,670	231,242		S
Wyton Primary School (CCC)	21,040	77,970	99,010		S*
Yaxley Infants School (CCC)	17,449	66,861	84,310		S*
Yaxley Parish Council	11,801	38,687	50,488		S
YTKO Limited	1,550	4,125	5,675		Ad
Grand Total	**36,247,994**	**130,282,167**	**166,530,161**		

Scheme Administration (continued)

Communications Policy

Our strategy outlines how we plan to use technology to enhance our service and reduce costs where appropriate. It shows how we try to meet the needs of all our stakeholders. We also encourage feedback so we can continue to make improvements. You can find our communications strategy and plan on the key documents page of our website.

Our communications plan outlines our activities monthly for each stakeholder group. As well as:

- sending out statutory communications
- planned newsletters
- surveys
- employer training
- web updates

it also highlights other key communications initiatives.

Digital communications

Electronic communication is our preferred method of sharing information for most stakeholders. This could be through:

- our website
- emails
- texts
- self-service
- webinars
- videos.

For example, when a member first joins, we'll send them an email text, or letter depending on their preference. We ask them to visit our website to see guides and videos for more information about the scheme. We also suggest they sign up to our self-service portal. We use webinars, videos, and face to face events to educate our employers and members about the scheme.

Accessibility

We're committed to making sure our communications are accessible to everyone. We give all members the option to opt out of electronic communications, or to receive them in the best format for them. For example, braille, audio CD, alternative languages, or other reasonable adjustments. If members choose to opt out, we'll send them a paper copy of their pension statement or annual newsletter.

We make sure our communications are easy to understand, through:

- Plain English accreditation
- checking readability scores
- never using colour as the only way to convey information.

Promotion

We promote the scheme to members and employers through our website. We encourage our employers to promote the LGPS by giving them:

- posters,
- news stories, and
- email copy.

We also engage prospective members with promotions linked to:

- Life events
- Pensions Awareness Week, and
- the Pensions Attention campaign.

Scheme Administration (continued)

Internal Dispute Resolution Procedures (IDRP)

The IDRP is a formal dispute procedure through which complaints or disagreements about decisions made by a scheme employer or the Fund are investigated and resolved. The LGPS regulations provide a two-stage process.

Stage 1 disputes are decided by the Head of Pensions if the complaint concerns an administering authority decision, or by an adjudicator appointed by the employer if an employer decision.

At Stage 2, the complaint is considered by Cambridgeshire County Council's Monitoring Officer, and if the complainant is still unhappy with the decision they may formally refer the case to The Pensions Ombudsman.

The details of the Fund's IDRP process can be accessed via the website.

At any stage a scheme member may contact The Pensions Ombudsman for assistance with their complaint, but for a formal complaint to be raised with them both stages of the IDRP would normally need to be completed first. More information can be found on The Pensions Ombudsman website.

The following formal disputes have arisen and/or been resolved during 2022-23 and 2023-24:

2023-24 Nature of dispute	Stage 1 Decision: Member complaint upheld/not upheld/partially upheld	Stage 2 Decision: Stage 1 decision upheld/not upheld/partially upheld
Refusal to pay 50% survivor's pension for a post retirement marriage case. (prior year)	Not Upheld	Upheld
Decision by CPF to reduce exiting employer's credit and also charge for actuarial work at cessation.	Challenge against reduction of exit charge – Not Upheld. Complaint against charge of actuarial work - Upheld	In Progress
Maladministration in allowing an overseas transfer in 2015	Not Upheld	Upheld
Maladministration in allowing an overseas transfer in 2015	Not upheld	Not progressed to Stage 2

2022-23 Nature of dispute	Stage 1 Decision: Member complaint upheld/not upheld/partially upheld	Stage 2 Decision: Stage 1 decision upheld/not upheld/partially upheld
Award of Pension Credit lower than estimated value.	Partially Upheld	Not progressed to Stage 2
Delays in paying AVC funds resulting in lower valuation of funds.	Upheld	Not progressed to Stage 2
Challenge in allowing a historic transfer of pension rights to an overseas scheme in 2015.	Not upheld	Not progressed to Stage 2
Delays in paying AVCs causing anxiety and stress.	Upheld	Not progressed to Stage 2
Challenging Tier 3 ill health entitlement awarded.	(employer)	Not Upheld
Refusal of employer's decision not to award ill-health pension from Active status.	(employer)	Not Upheld

The Pensions Ombudsman

The Fund is not aware when a member has raised a dispute with The Pensions Ombudsman (TPO) unless:

- we have had initial contact from TPO in that year,
- the case has been resolved by acceptance of an opinion from a TPO adjudicator in that year (even if that is deemed as withdrawal of the complaint/dispute), and
- the case has been resolved by a TPO determination in that year.

The Pensions Ombudsman notified the Fund in 2023-2024 that a single complaint had been received relating to an administering authority decision. The complaint related to issues with membership record keeping resulting in overstated benefit details on annual statements and on an estimate prior to retirement. The outcome has yet to be determined.

Scheme Administration (continued)

Complaints

Should you have a complaint about the service, we will do our best to put things right. To access support, please contact Pensions@westnorthants.gov.uk , telephone 01604 526 471, or write to:

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

The Fund received 17 complaints during 2023-24, which were managed outside IDRP (2022-23:11).

Member Satisfaction levels

A member satisfaction survey is sent to a member once their enquiries or requests have been completed by the Fund.

For the financial year 2023-24, the member satisfaction survey has been sent to 1,931 members. The Fund has received 250 responses in total (12.9% reply rate) with average score of 3.92 out of 5.

Employer satisfaction levels

There was no employer satisfaction survey carried out during 2023-24, however, the next scheduled survey is to be completed during 2024-25.

Governance and Training

Risk Management

The Cambridgeshire Pension Fund has both a risk strategy and a risk register in place to identify, evaluate, mitigate and monitor risks associated with the activities that the Fund carries out. Risk is managed through regular reporting to the Pension Fund Committee, Local Pension Board, Cambridgeshire County Council's Monitoring Officer and Section 151 Officer. This ensures that risks are integrated within the governance structure of Cambridgeshire County Council and all follow a consistent approach. Identified risks are recorded in the Risk Register, a copy of which can be found at: [Risk Register]

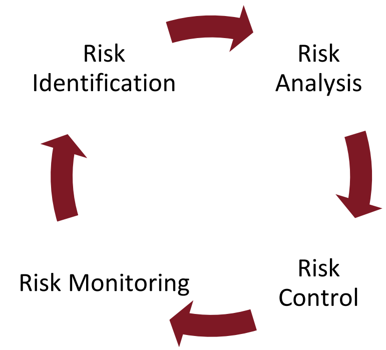
The aim of the Risk Register is to ensure that an informed decision can be made on whether a risk can or should be accepted. Risk appetite is informed by an understanding of any existing controls and will also be influenced by the expected reward or outcome. Once risks have been identified the Fund assesses the impact and likelihood of a risk to enable effective decision making.

Risks recorded in the Risk Register are linked and managed in line with the Pension Fund objectives to ensure relevance and are reviewed by the Pension Fund Committee twice a year and the Local Pension Board quarterly. New risks are therefore identified promptly and current risks are monitored on a regular basis, with risk ratings revised where necessary. The accompanying Risk Strategy is reviewed on an annual basis to ensure it remains relevant to support the Risk Register.

The Risk strategy and register covers key administration, governance and investment (including pooling) risks.

Third party risks are managed through the Risk Register and associated policies, such as the Payment of Pension Contributions Policy. Mitigations are put in place to minimise third party risks and, in particular, the risks associated with Scheme Employers and effective covenant monitoring.

The Administering Authority's risk management process is in line with that recommended by CIPFA and is a continuous approach which systematically looks at risks surrounding the Fund's past, present and future activities. The main processes involved in risk management are identified in the figure to the right.



Cyber Risk

Cyber risks are managed through the risk register. In addition, as cyber-crime continues to evolve and becomes increasingly sophisticated, a Cyber Action Plan has been developed and is regularly reviewed by Officers. All updates of the Cyber Action Plan are reported as an exempt appendix to the Business Plan Update report at each meeting of the Pension Fund Committee and Local Pension Board.

The Fund's Cyber Strategy sets out the Fund's approach to cyber governance and incorporates evaluation of key cyber risks. The current version of the Cyber Strategy was reviewed and agreed by the Pension Fund Committee, following collaboration with the Local Pension Board in September 2021. The strategy is due to be formally reviewed by the Committee again in late 2024 and will be updated accordingly.

Investment Risk

The Fund's Investment Strategy Statement, which is reviewed annually, sets out the Fund's investment strategy which incorporates evaluation of key investment risks.

In addition the Statement of Accounts section of this document, provides further information about Investment risks and how they apply to the Investment Assets held by the Fund.

Governance and Training (continued)

Investment Risk (continued)

There are many risks inherent in investments. The Fund addresses these in the following ways:

Market Risk – investments will reduce in value due to fluctuations in prices, interest rates, exchange rates and credit spreads.	The Fund invests in different markets across the world and in different types of investment to reduce the risk of the portfolio reducing in value due to adverse market conditions and to smooth returns.
Price Risk – investments may be incorrectly valued due to price fluctuations or estimates used in pricing.	Investments are valued at published prices, where available. Investments that are not sold on a market are valued by specialist Investment Managers. Notes 16, 17 and 18 in the Statement of Accounts give information about how investments are valued and give an indication of the value of investments subject to an element of estimation.

Risk Assurance

The objective of an internal audit is to educate management and employees about how they can improve business operations and efficiencies while giving reliability and credibility to the financial reports that go to Pension Fund Committee and the Local Pension Board. Internal audit awarded the Fund good assurance following its testing within the year.

At year end all Investment Managers, including Waystone Management who are the Operator of the ACCESS pool (page 50), are required to provide ISAE 3402 Services Organisation Control Reports, which are made available to external audit.

There were no issues identified in following a review of the reports received by the Investment Managers.

A risk management dashboard was developed during 2023-24 for introduction in 2024-25. This will provide a high-level overview of the Cambridgeshire's Pension Fund risk profile. The profile includes the total number of risks and collective risk index between reviews as well as how those risks are distributed across high, medium and low residual risk ratings.

Risk assurances against any red and amber risks were also introduced to provide additional reassurance surrounding the management of the higher risks facing the Fund. The table contains tangible indicators to monitor performance of these risks against targets/tolerances.

Governance and Training (continued)

Policies and Strategy Statements

Information about the Fund's policies and procedures can be found on the Fund's website:
Cambridgeshire Pension Fund Key Documents

The following strategies and policies were in place during the financial year

- Administering Authority Discretions
- Administration Strategy
- Admitted Bodies Scheme Employers and Bulk Transfers Policy
- Annual Business Plan & Medium Term Strategy
- Anti-Fraud and Corruption Policy
- Cash Management Strategy
- Cessations Policy
- Communications Strategy
- Conflicts of Interest Policy
- Data Improvement Policy
- Data Retention Policy
- Employer Data Retention Policy
- Funding Strategy Statement
- Governance Policy and Compliance Statement
- Investment Strategy Statement
- Overpayment of Pension Policy
- Payment of Employee and Employer Pension Contributions Policy
- Reporting Breaches of the Law to the Pensions Regulator Policy
- Review of Contribution Rate Policy
- Risk Register
- Risk Strategy
- Training Strategy
- The Fund also has a Cyber Strategy, however this is not published due to its sensitive nature

The following other documentation is in place during the financial year

- Climate Action Plan
- Communications Plan
- Cyber Action Plan
- Data Improvement Plan
- Decarbonisation Dashboard

Policies and strategies are reviewed by the Pension Committee on a three-year cycle to ensure they remain relevant and fit of purpose. Officers review all policies and strategies on an annual basis to ensure they remain fit for purpose and apply non-material amendments. If there are any material changes required, Committee approval is required before the three-year formal review point

Statement/Policy Changes in 2023-24

The following strategies and policies have been reviewed, updated and approved by the Pensions Committee accordingly in 2023-24:

- Annual Business Plan and Medium-Term Strategy
- Cash Management Strategy
- Climate Action Plan
- Communications Plan Governance Policy and Compliance Statement
- Data Retention Policy
- Governance Policy and Compliance Statement
- Investment Strategy Statement
- Review of Contributions Rate Policy
- Risk Register
- Training Strategy

Governance and Training (continued)

Managing Decision Making

Cambridgeshire County Council has established a Pension Fund Committee (PFC) and Investment Sub-Committee (ISC) having strategic and operational investment decision making powers, respectively.

Membership of both bodies consist of elected members, and non-elected employer and scheme member representatives. All members of the ISC sit on the PFC.

The PFC's business covers all Fund matters with the exception of non-strategic investment issues, which are delegated to the ISC. Officers across the operations, investment, transactions, corporate and governance functions support the PFC and ISC as required. All meetings of the PFC and ISC are in person and duly minuted.

PFC members and ISC members are required to attain a desired level of skills and knowledge, to ensure decisions being made on behalf of the Fund are made with full understanding of the impact and therefore mitigating the risk of unfounded decisions.

The Committee members must at all times be conscious of their accountability to stakeholders. The PFC is responsible for determining the nature and extent of any significant risks taken on by the Administering Authority in the pursuit of its strategic objectives. Risk management should be dynamic and comprehensive, considering operational, reputational and environmental, social and governance (ESG) risks in addition to financial risks.

Cambridgeshire County Council has acknowledged the establishment of the ACCESS Joint Committee (AJC) delegating powers to this body in response to the Government's pooling agenda. The Chair of the PFC represents the Fund on the AJC, supported by Fund officers working in the ACCESS Officers Working Group (OWG).

The Local Pension Board (LPB) was established on 1 April 2015, providing an additional layer of governance for the Fund. The LPB is non-decision making but has the responsibility of assisting the Administering Authority to:

- Secure compliance with the Local Government Pension Scheme (LGPS) regulations and other legislation relating to the governance and administration of the LGPS and also the requirements imposed by the Pensions Regulator in relation to the LGPS; and
- Ensure the effective and efficient governance and administration of the LGPS.

The LPB has provided a separate annual report of its activities to Council for this financial year.

LPB members are also required to attain a desired level of skills and knowledge, in order to exercise their authority to assist Administrating authority to secure compliance with the various legislation and to ensure the effective and efficient governance and administration of the scheme.

All PFC, ISC and LPB members have the right to vote at each meeting.

Governance and Training (continued)

Pension Fund Committee and Local Pension Board Training

In July 2021, CIPFA published its revised Knowledge and Skills Framework aimed at Pension Committee and Board members as well as senior officers. The principles of the guide include the need for formal objectives, policies, practices and strategies concerning knowledge and skills of those responsible for the fund. Administering authorities must maintain effective, ongoing maintenance and development of knowledge, addressing gaps where required and increasing skills as appropriate.

Cambridgeshire Pension Fund has adopted the LGPS Online Learning Academy (LOLA) to deliver training that mirrors the Knowledge and Skills Framework.

The areas covered are as follows:

- Committee Role and Pensions Legislation.
- Pensions Governance.
- Pensions Administration.
- Pensions Accounting and Audit Standards.
- Procurement and Relationship Management.
- Investment Performance and Risk Management.
- Financial Markets and Product Knowledge.
- Actuarial methods, Standards and Practice.

The platform also covers current LGPS issues, some examples include understanding McCloud, Pensions Dashboards, Cyber Risk and the Investment Consultation.

The Pension Regulator has an online toolkit designed to help those running public service schemes to understand the governance and administration requirements in the public service schemes Code of Practice. The toolkit is an user friendly resource and covers 7 compulsory short modules.

These are:

- Conflicts of Interests.
- Managing Risk and Internal Controls.
- Maintaining Accurate Member Data.
- Maintaining Member Contributions.
- Providing Information to Members and Others.
- Resolving Internal Disputes.
- Reporting Breaches of the Law.

Completion of the toolkit in conjunction with the CIPFA core competencies will provide Pension Committee and Local Pension Board members with a good grounding for their respective roles. Officers will issue details of the toolkit upon appointment and will request this to be completed within 6 months. The completion of the LOLA modules and the Pensions Regulator e-learning programme are a compulsory requirements of the Training Strategy for members of the Committee, Board and senior officers.

The online platform will be regularly updated, and members will be notified of the updates via email.

In addition to the compulsory training, the following training is also encouraged -

- In-house training events where it improves economy, efficiency and effectiveness.
- Self-improvement and familiarisation with regulations and documents.
- Attending relevant courses, seminars and external events.
- Internally developed training days and pre/post meeting sessions.
- Shared training with other Funds or Asset Pools.
- Regular updates from officers and/or advisers.
- Circulated reading material.
- Topical training events in advance of decisions at meetings.

Progress reports will be monitored by Officers and information provided to both the Chair of the Committee and Board on an annual basis.

For more information the Fund’s Training Strategy can be found on our [key documents page]

Governance and Training (continued)

Pension Fund Committee and Local Pension Board membership

The following table shows the attendance of Committee and Board members at applicable Pension Fund Committee, Investment Sub-Committee and Local Pension Board meetings during 2023-24, training undertaken in year, including; Training days, Conferences and Strategic Workshops.

Councillor/Member Name	Representation as at March 24	Committee/Board	Meetings Attended	Training Undertaken (In person and virtual)
Cllr Alison Whelan	Cambridgeshire County Council – Chair	Cambridgeshire Pension Committee Investment Sub Committee	5 meetings out of 5 4 meeting out of 4	22 sessions attended
Cllr Catherine Rae (Resigned July 2023)		Cambridgeshire Pension Committee Investment Sub Committee	1 meeting out of 1 1 meeting out of 1	0 sessions attended
Cllr Mike Black (Appointed July 2023)	Cambridgeshire County Council - Vice Chair	Cambridgeshire Pension Committee Investment Sub Committee	5 meetings out of 5 3 meeting out of 3	9 sessions attended
Cllr Alan Sharp (Resigned February 2024)		Cambridgeshire Pension Committee Investment Sub Committee	2 meetings out of 4 2 meeting out of 3	0 sessions attended
Cllr Peter McDonald (Appointed May 2023)	Cambridgeshire County Council	Cambridgeshire Pension Committee Investment Sub Committee (from Feb24)	4 meetings out of 5 1 meeting out of 1	0 sessions attended
Cllr Adela Costello	Cambridgeshire County Council	Cambridgeshire Pension Committee Investment Sub Committee	5 meetings out of 5 3 meeting out of 3	16 sessions attended
Cllr Keith Prentice (Resigned February 2024)		Cambridgeshire Pension Committee	0 meetings out of 4	0 sessions attended
Cllr Nick Gay (Appointed February 2024)	Cambridgeshire County Council	Cambridgeshire Pension Committee	1 meetings out of 1	1 sessions attended
Cllr Tom Sanderson (Appointed March 2024)	Cambridgeshire County Council	Cambridgeshire Pension Committee	0 meetings out of 1	0 sessions attended
Cllr Chris Boden	All other Local Authorities, Police and Fire	Cambridgeshire Pension Committee Investment Sub Committee	2 meetings out of 5 3 meetings out of 4	1 sessions attended
Cllr Andy Cole (Resigned November 2023)		Cambridgeshire Pension Committee	2 meetings out of 4	14 sessions attended
Lee Phanco (Resigned November 2023)		Cambridgeshire Pension Committee Investment Sub Committee	2 meetings out of 3 1 meeting out of 3	0 sessions attended
Howard Nelson (Appointed December 2023)	All other employers	Cambridgeshire Pension Committee Investment Sub Committee	1 meeting out of 2 1 meeting out of 1	21 sessions attended
Matthew Pink	Active Scheme Members	Cambridgeshire Pension Committee	3 meetings out of 5	18 sessions attended
John Walker (Resigned June 2023)		Cambridgeshire Pension Committee	1meeting out of 1	0 sessions attended

Governance and Training (continued)

Pension Fund Committee and Local Pension Board membership (continued)

Councillor/Member Name	Representation as at March 24	Committee/Board	Meetings Attended	Training Undertaken (In person and virtual)
Liz Brennan (Appointed June 2023)	Deferred and Pensioner Members	Cambridgeshire Pension Committee Investment Sub Committee	2 meeting out of 4 1 meeting out of 3	18 sessions attended
Cllr Denis Payne	Scheme Employers Chair	Cambridgeshire Pension Fund Board	3 meetings out of 4	27 sessions attended
Cllr Geoffrey Seeff	Scheme Employers	Cambridgeshire Pension Fund Board	3 meetings out of 4	12 sessions attended
Cllr Simon King	Scheme Employers	Cambridgeshire Pension Fund Board	3 meetings out of 4	0 sessions attended
Barry O'Sullivan	Scheme Members	Cambridgeshire Pension Fund Board	4 meetings out of 4	7 sessions attended
Val Limb	Scheme Members	Cambridgeshire Pension Fund Board	2 meetings out of 4	21 sessions attended
Cllr Edna Murphy (Resigned April 2023)	Scheme Members	Cambridgeshire Pension Fund Board	0 meetings out of 1	0 sessions attended

Governance and Training (continued)

Summary of Committee Activity

It is the responsibility of the Pension Fund Committee to develop and maintain strategies, policies, and procedures, thus ensuring effective governance, oversight and accountability is upheld on behalf of the Fund's stakeholders.

The below information demonstrates the key decisions and approvals that have been made by the Pension Fund Committee during 2023-24, supported by the Investment Sub-Committee and Pension Fund Board.

Key Governance Activities

- Approval of the Cash Management Strategy
- Approval of the Employer Contributions Rates Policy
- Approval of the Training Strategy
- Approval of the Annual Report and Statement of Accounts
- Approval of the Business Plan
- Approval of the Communications Plan
- Approval of the Data Retention Policy
- Review of the Additional Voluntary Contribution providers

Key Investment Activities

- Approval of the Funds submission to the UK Stewardship Code
- Annual Investment Review
- Annual Investment Consultancy Provider review

Key Service Activities

- Review of the cyber activity Action Plan

Reports noted

- Administration Report
- Business Plan update
- Governance and Compliance Report
- Employers Admissions and Cessations
- Risk Monitoring
- ACCESS update
- Internal Audit Report
- Assurance report on potential breaches of the law
- Cashflow projections report

Summary of Board Activity

The below information shows the reports the Local Pension Board have considered during 2023-24.

- Administration report
- Governance and Compliance Report
- Business Plan update
- Valuation update
- Investment Strategy Update
- ACCESS update
- Review of the Training Strategy
- Risk Monitoring
- Internal Audit Report
- Assurance report on potential breaches of the law
- Review Cash Management Strategy
- Review Cyber resilience and Data Protection Policy
- Review of the Additional Voluntary Contribution providers
- Annual Report and Statement of Accounts
- Cyber Resilience update

A copy of the most recent Local Pension Board Annual Report can be found on the Councils website here.

Governance and Training (continued)

Conflicts of interest

A conflict of interest is defined in section 5(5) of The Public Service Pension Act 2013 as a financial or other interest likely to prejudice the way in which someone carries out their role. It further specifies that a conflict does not include a financial or other interest arising merely by virtue of that person being a member of a relevant pension scheme.

Therefore, a conflict of interest may arise when an individual has a responsibility or duty in relation to the management of, or provision of advice to, the LGPS fund administered by Cambridgeshire County Council, and at the same time, they:

- have a separate personal interest (financial or otherwise), or
- have another responsibility in relation to that matter.

This gives rise to a possible conflict with their first responsibility. An interest could also arise due to a family member or close colleague having a separate responsibility or interest in a matter.

Cambridgeshire County Council, as Administering Authority will:

- encourage a culture of openness and transparency
- encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed
- evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on the Fund’s operations and good governance were an actual conflict of interest to materialise.

One of the key areas of potential conflict relate to the dual roles held by an individual who sits in the governing bodies of the Fund and at the same time is employed or representing Cambridgeshire County Council as the Administrating Authority to the Fund or/and a participating employer in the Fund.

All declarations should be collated and recorded on the Fund’s Register of Conflicts of Interests.

In order for the Administering Authority to fulfil its obligations to manage and monitor potential conflicts of interests the Pension Fund Committee and the Pension Fund Board must include an item on conflicts of interest at each meeting. The Pension Fund Board must also include an item on conflict of interest in its Annual Report.

The Fund's Register of conflicts of interest may be viewed by any interested party at any point in time. It will be made available on request by the Governance and Regulations Manager. To identify whether the objectives of this Policy are being met the Administering Authority will review the Register of conflicts of interest on an annual basis and consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity.

It is inevitable that conflicts of interest will arise, and it is important to recognise that there are various ways that conflict can be managed depending on the individual circumstances.

The three main ways to assist in resolving conflict include:

- the conflicted individual concerned abstaining from the discussion, decision-making or providing advice relating to the relevant issue,
- the conflicted individual being excluded from the relevant meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a Pension Fund Committee meeting), or
- a working group or sub-committee being established which excludes the conflicted individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).

Provided that the Administering Authority (having taken any professional advice deemed to be required) is satisfied that the method of management is satisfactory, the Administering Authority shall endeavor to avoid the need to advise an individual to resign due to a conflict of interest or to request the appointing body to reconsider their appointment to the Board or Committee). Where a Pension Fund Board Member has an actual conflict of interest as defined in the Public Service Pensions Act 2013, the individual will be required to resign from the Board.

For more information, the Fund’s Conflict of Interest Policy can be found on our key documents page

Investments

Investment Policy

The Fund's approach to its investment arrangements is set out in its Investment Strategy Statement, (ISS) as required by Regulations that requires the Fund to create and maintain an approach to investments that includes, amongst other things:

- a requirement to invest fund money in a wide variety of investments;
- the Fund's assessment of the suitability of different types of investments;
- the Fund's approach to risk, including the ways in which risks are assessed and managed;
- the Fund's approach to pooling investments;
- the Fund's policy on how social, environmental and corporate governance considerations are taken into account; and
- the Fund's policy on the exercise of the rights (including voting rights) attaching to investments.

The Pension Fund Committee (PFC) approves investment policies and strategy and an Investment Sub-Committee (ISC), which is supported by the Fund's Advisors, implements these investment policies and strategy, which includes the appointment and dismissal of Investment Managers and monitoring of performance.

The Fund adopts a long-term perspective, focussing its investment strategy to generate sustainable returns on a risk adjusted basis to grow the Fund's assets to reflect its equally long-term future liabilities. The PFC, Local Pensions Board, Fund officers and professional advisors have worked hard to develop an enhanced responsible investment (RI) policy, which forms part of our overall investment strategy. The RI policy sets out our approach to sustainable responsible investment and will help us manage the carbon and climate risks impacting our investments better.

The RI policy was agreed following a consultation that was open to scheme members and scheme employers. You can find a copy of the summary consultation responses and an updated investment strategy statement on our key documents page.

The revised RI policy will inevitably mean some changes to our underlying investments over time. In February 2022, the Investment Sub Committee approved decarbonisation targets to reduce the carbon emissions of listed equities by 23% by 2024 and by 57% by 2030 together with a climate action plan for 2022, 2023 and beyond.

The Fund has been decarbonising the portfolio at the same rate as the European Policy Curve meaning the Funds decarbonisation pathway would align with the Paris Accord and achieve the ambitions target to reach net zero by 2050 or earlier.

Progress against these targets are being reviewed regularly via a climate dashboard setting out key carbon metrics which are being measured and tracked over time. Regular communication will be provided on how the Fund is progressing on its journey to achieve net zero.

You can find copies of the Funds climate action plan, decarbonisation pathway, and climate dashboard on the key documents page.

The Fund is a member of the Local Authority Pension Fund Forum (LAPFF), which is a voluntary association of LGPS funds that seeks to protect and enhance the value of its members' shareholdings by way of shareholder engagement, by action on corporate governance issues and by seeking to promote the highest standards of corporate social responsibility at the companies in which LAPFF members invest. Through LAPFF, the Fund exercises its belief that engagement with company management to promote improvements in SRI practices is more powerful than divesting from the company's shares. The Fund is also a subscriber to CIPFA and Pensions and Lifetime Savings Association (PLSA).

The Fund will also continue to support the principles of the UK Stewardship Code (the "Stewardship Code").

Voting Rights

The Fund has delegated the exercise of voting rights to all investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long-term shareholder value. These findings are reported to the ISC for review periodically.

Investments (continued)

Waystone, the operator of the ACCESS Pool, requires investment managers appointed by the Pool to exercise their voting rights in line with the agreed ACCESS voting guidelines. Where investment managers on the platform do not adopt the positions set out in the Waystone policy, they are required to provide a robust explanation of the position adopted on a comply or explain basis in each sub-fund prospectus. This information is also included in the Fund's own stewardship reporting.

Information about Investment Manager voting is available at [Cambridgeshire Pension Fund Key Documents]

Role of Investment Managers

Each Investment Manager relationship is governed by an Investment Management Agreement, which sets out how much they can invest, the asset class in which the Fund has employed them to invest, the expected target return and how much the Fund will pay for this service.

Active focus

With the exception of the passive global equity and passive index-linked bond mandates, the Fund favours an active management style to outperform agreed specific benchmarks.

Custodian

The Fund's Custodian is Northern Trust. The Custodian is responsible for ensuring that the Fund has good title to all investments, that all trades instructed by Investment Managers are settled on time and that all income due to the Fund is received and recorded accurately. Northern Trust also maintain the investment accounting records for the Fund.

Investment Management Fees

Fees of external Investment Managers and the Custodian are agreed in the respective mandates governing their appointments. Broadly, these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. For investments like actively managed equities, private equity etc the investment management fee is higher as the expected return is also meant to be higher. All returns are reported net of fees to give a true view of performance achieved by the Fund.

Asset Pooling

The Fund is working with ten like-minded LGPS funds to implement the ACCESS asset pool in response to the Government's LGPS reform agenda. The main aim is to encourage LGPS Funds to work together to form asset pools to "pool investments to significantly reduce costs, while maintaining investment performance." Individually, the participating funds have a strong performance history and potential for substantial benefits for a group of successful, like-minded authorities collaborating and sharing their collective expertise. Collectively as at 31st March 2024, the ACCESS Pool has significant scale with assets of £64.6bn (of which 69% has been pooled) serving 3,510 employers with 1.2 million members including 341K pensioners.

The roles and decision-making relationship between the eleven funds is informed by an Inter Authority Agreement. The ACCESS pool is governed by the ACCESS Joint Committee (AJC) comprising the Chair of the eleven constituent funds. The AJC have appointed Waystone Management Ltd (Waystone) as operator of the pool and the ACCESS Authorised Contractual Scheme (ACS).

The Fund's passive equity investments are invested with UBS Asset Management under a collaborative arrangement with fellow ACCESS funds, which has generated significant fee savings for the Fund.

On 31 March 2024, the Cambridgeshire Fund had invested £1,861.8m in the ACCESS pool and £1,660.0m under pooled management resulting in pooled assets of £3,521.7m, representing 74.4% of the Fund's assets.

Investments (continued)

Asset Pooling continued

The ACCESS Support Unit (ASU) has been created to manage the Operator contract against specified KPIs and provide technical and secretariat support services to the AJC and Officer Working Group (OWG).

In addition to the savings in Investment Management fees through joint investments, there are other tangible benefits from pooling including a governance premium (potential for reduced risk due to manager diversification achieved at pool level), improved performance and tax savings.

More information about the ACCESS asset pool can be found on their website: ACCESS Pool. The ACCESS Annual Report can be found at Appendix A to this Annual Report.

The below table reports the progress the Fund has made in pooling their assets across the different asset classes.

	£m Asset values as at 31 March 2023				£m Asset values as at 31 March 2024			
Asset class	Pooled	Under pooled management	Not pooled	Total	Pooled	Under pooled management	Not pooled	Total
Equities	1,485.0	884.7	0	**2,369.7**	1,159.8	1,086.2	0	**2,246.0**
Bonds	202.8	0	383.3	**586.1**	603.6	401.6	0	**1,005.2**
Private Debt	0	0	66.9	**66.9**	0	0	74.5	**74.5**
Property	0	0	267.5	**267.5**	98.4	0	282.2	**380.6**
Private Equity	0	0	520.2	**520.2**	0	0	603.0	**603.0**
Infrastructure	0	0	359.2	**359.2**	0	167.4	171.9	**339.3**
Dervatives	0	0	1.4	**1.4**	0	0	0	**0.0**
Cash and net current assets	0	0	40.3	**40.3**	0	4.8	84.1	**88.9**
Total	**1,687.8**	**884.7**	**1,638.8**	**4,211.3**	**1,861.8**	**1,660.0**	**1,215.7**	**4,737.5**

Pooled means assets invested through the Fund’s chosen pool.

Under pool management means that the pool is responsible for the oversight or discretionary management of the investment, whether or not procured through the pool, (including passive market index tracker funds procured before pooling).

Not pooled means that the asset is neither pooled nor under pool management.

The focus for pooling during 2024-25 is to continue the development of the property mandates and infrastructure assets. It plans to transition its UK core real estate allocation to a UK direct real estate portfolio within ACCESS and will redirect new private equity commitments to the pool when this asset class is made available. 9% of the Fund’s assets are earmarked for pooling during the next financial year.

Investments (continued)

Asset Pooling continued

A significant proportion (22.1%) of the Fund's assets are currently invested in UK assets. The below table sets out the Fund’s investments in the United Kingdom in 2022-23 and 2023-24 by asset class.

:

Asset class	£m Asset values as at 31 March 2023				£m Asset values as at 31 March 2024			
	Pooled	Under pooled management	Not pooled	Total	Pooled	Under pooled management	Not pooled	Total
UK Listed Equities	0	81.5	0	81.5	0	12.0	0	12.0
UK Government Bonds	0	0	197.0	197.0	0	401.6	0	401.6
UK Property	0	0	267.4	267.4	98.4	0	273.5	371.9
UK Infrastructure	0	0	102.4	102.4	0	0	100.6	100.6
UK Private Equity	0	0	127.8	127.8	0	0	161.4	161.4
Total	**0**	**81.5**	**694.6**	**776.1**	**98.4**	**413.6**	**535.5**	**1,047.5**

UK Levelling Up

The Government has confirmed that funds will be required to publish plans for increasing investment in line with an ambition of up to 5% of assets to be invested in projects which support levelling up. “Levelling up” refers to assets which make a measurable contribution to one of the missions set out in the Government’s Statement of Levelling Up Missions (which is made under Section 1 of the Levelling Up and Regeneration Act 2023) and support any local area within the United Kingdom.

As at the 31 March 2024 the Fund has 5% invested in levelling up assets:

£m Asset values as at 31 March 2024	Pooled	Under pooled management	Not pooled	Total	% Percentage of Total Fund
UK Levelling up	0	0	242.3	242.3	5%

Investments (continued)

The Costs of Pooling

The costs of setting up the ACCESS pool and the operating costs of the pool are collected by a nominated host authority and re-charged in equal shares to the eleven ACCESS funds. Cambridgeshire's share of costs is reported within Oversight and Governance costs in Note 11 to the Statement of Accounts and comprises the following:

Operational Costs	2023-24 £000	2015-16 to 2023-24 Cumulative £000
Strategic & Technical	49.6	241.6
Legal	33.7	165.6
Project Management	0.0	81.1
ACCESS Support Unit	57	268.2
Other	5.8	41.1
Total Operational Costs	**146.1**	**797.6**

Pooled Savings

Gross savings are calculated using the Chartered Institute of Public Finance and Accountancy price variance methodology based on average assets over the year. Net savings are calculated by subtracting the costs of pooling from the gross savings.

The below table sets out the gross and net fee savings for the 2023-24 financial year.

Savings	2023-24 £000	2015-16 to 2023-24 Cumulative £000
Gross savings	3,444.0	14,987.7
Fees	-146.1	-797.6
Net savings	**3,297.9**	**14,190.1**

Cost Transparency

The analysis below shows the investment expenses incurred during the financial year 2023-24 between expenses incurred in respect of Pooled and under pool management assets and not pooled assets.

Management Costs 2023-24	Asset Pool Direct £000	Asset Pool Indirect £000	Asset Pool Total £000	Non- Asset Pool Direct £000	Non- Asset Pool Indirect £000	Non- Asset Pool Total £000	Fund Total £000
Investment Management Fee	7,949	705	**8,654**	7,635	1,266	**8,901**	**17,555**
Performance Fee	2,052	-953	**1,099**	-94	-1	**-95**	**1,004**
Transaction Taxes	0	22	**22**	3	0	**3**	**25**
Broker commissions	0	430	**430**	47	-18	**29**	**459**
Other explicit costs	0	335	**335**	107	2	**109**	**444**
Implicit/indirect transaction costs	0	1,337	**1,337**	284	827	**1,111**	**2,448**
Administration	263	0	**263**	481	18	**499**	**762**
Governance and Compliance	29	0	**29**	235	21	**256**	**285**
Other	622	-329	**293**	1,732	1,106	**2,838**	**3,131**
Total	**10,915**	**1,547**	**12,462**	**10,430**	**3,221**	**13,651**	**26,113**

Investments (continued)

Investment Allocation and Performance

The Pension Fund Committee (PFC) is responsible for approving the Strategic Asset Allocation proposed by the Investment Sub-Committee (ISC). The PFC performed a review of the Strategic Asset Allocation at the March 2023 meeting in conjunction with the Fund's Investment Consultants, Mercer Ltd and the independent Investment Advisor. The review assessed the appropriateness of the current strategy and any changes necessary to increase the likelihood of meeting the Fund's objectives, namely:

- To reach full funding and be in a position to pay benefits as they fall due; and
- To ensure contributions remain affordable to employers

The recommended changes to the strategy aim to manage the risk that asset returns are below those assumed by the actuary, whereby the funding position worsens. The following changes to the strategy were approved by PFC in March 2023:

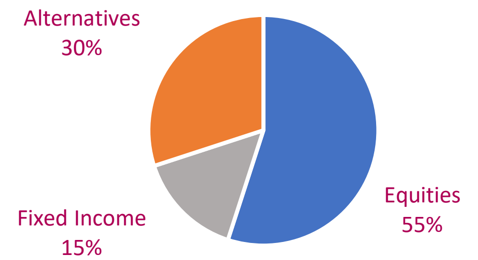
- Reduce the equity allocation by 12.5%, maintaining the passive equity allocation at 20% and reduce active managers;
- Increase fixed income and alternative allocations by 10% and 2.5% respectively to provide greater exposure to inflation linked, cash flow generative assets while protecting the strong funding position; and
- Consider sustainable and impact opportunities across an expanded private markets portfolio – aligned with "levelling up" guidance.

The following changes have been carried out during the year to reach the new strategic asset allocations.

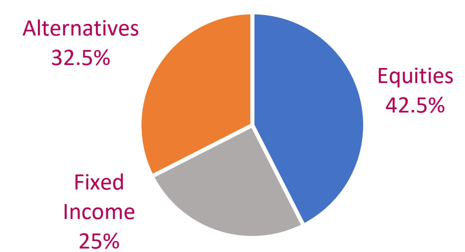
- Discontinue of the Schroders gilts and equity protection mandate (£165.1m) and switch to the UBS gilts pooled Fund
- Implement listed equity sales (£211.5m) to fund increased index linked gilts allocation
- Implement equity sales (£64m) to find increased Multi-Asset Credit (MAC) allocation
- Implement equity sales (150m) to fund increased private market allocations (property and infrastructure investments)
- Invested in ACCESS long lease property manager (£98.6m)

The charts below show the strategic asset allocation before and following PFC approval and the actual allocation of assets at 31 March 2024.

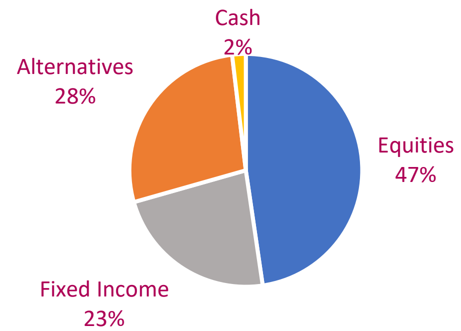
Strategic Allocation at 31 March 2023



Strategic Asset Allocation at 31 March 2024



Actual Asset Allocation 31 March 2024



Investments (continued)

Total Fund Performance

The total investment return for the Fund over the financial year was 11.7% net of fees compared with a weighted benchmark return of 14.2%. In the previous year the total investment return was -2.8% compared with a weighted benchmark of -2.5%. The Fund's total investment return was 6.3% p.a. over the three years to 31 March 2024 and 7.5% p.a over the five years to 31 March 2024.

Performance of Managers

The ISC continue to monitor the Investment Managers' performance against their benchmark at their quarterly meetings. All managers are measured against market-based performance benchmarks with bespoke outperformance targets set for active managers which are expected to be met over a three to five year period. Net of fees performance of each manager compared to benchmark over one year is shown in the table below.

Asset Class /Manager	Benchmark	Return %	Benchmark %	Variance %
Dodge & Cox – Equity	MSCI AC World Value Index	16.3	17.7	1.4
J O Hambro – Equity	MSCI AC World (NDR) Index	20.5	19.7	-0.8
Longview – Equity	MSCI AC World (NDR) Index	20.5	18.1	-2.4
Osmosis -Equity	Solactive Osmosis Resource Efficient Core Equity Ex-Fossil Fuels Index NTR	n/a	n/a	n/a
UBS Passive – Equity	FTSE Developed (GBP Hedged) Index	n/a	n/a	n/a
BlueBay Asset Management - Bonds	Composite Benchmark	11.2	9.2	-2.0
M&G Alpha Opportunities – Bonds	Composite Benchmark	11.2	12.2	1.0
Schroders - Bonds	Assumed equal to fund performance	-11.3	-11.3	0.0
UBS Passive – Gilts	FTSE A Over 5 Year Index-Linked Gilts Index	n/a	n/a	n/a
Adams Street – Private Equity	MSCI World Index	10.3	-2.7	-13.0
Foresight – Private Equity	MSCI World Index	10.3	6.2	-4.1
HarbourVest – Private Equity	MSCI World Index	10.3	-2.7	-13
Allianz – Infrastructure	IRR of 4.0% p.a.	4	11.1	7.1
Ares debt – Infrastructure	IRR of 10.0% p.a.	10	-1.6	-11.6
Equitix – Infrastructure	IRR of 10.0% p.a.	10	6.7	-3.3
IFM - Infrastructure	IRR of 10.0% p.a.	10	5.5	-4.5
JP Morgan – Infrastructure	IRR of 10.0% p.a.	10	5.0	-5.0
Partners Group – Infrastructure	IRR of 10.0% p.a.	10	4.1	-5.9
UBS - Infrastructure	IRR of 10.0% p.a.	10	-28.3	-38.3
M&G - Secured Loans	SONIA +4.0% p.a.	9.2	11.8	2.6
Aviva - Property	Composite Benchmark	n/a	n/a	n/a
M&G Residential - Property	Absolute Return of 6.0% p.a.	6	-1.2	-7.2
M&G Shared Ownership - Property	Net Return of 5-7% p.a.	6	-0.4	-6.4
Schroders – Property	MSCI All Balanced Property Funds Index	-0.7	1.4	2.1

n/a = Not invested for the full period therefore no meaningful performance measure is available

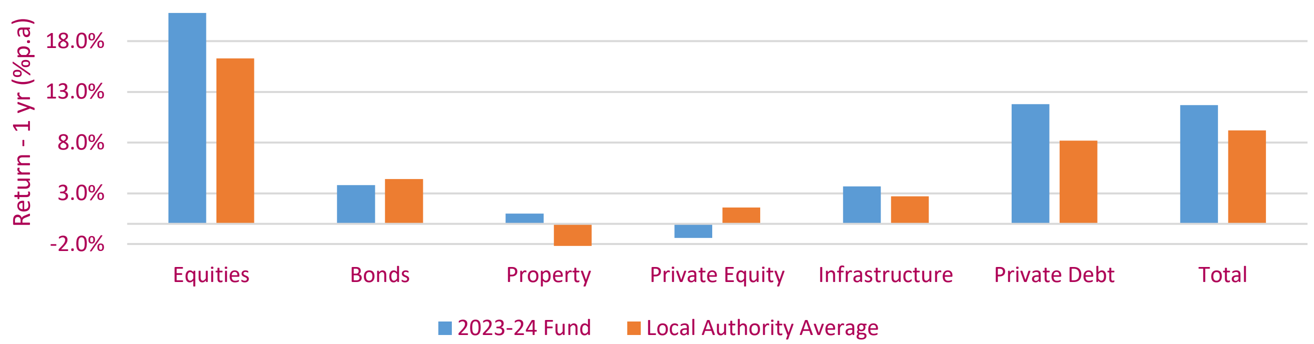
Investments (continued)

Performance in Comparison with Local Authority Universe

The Local Authority Universe is a national scheme consisting of 63 pension funds collated by PIRC Ltd that provides benchmarking of local authority pension funds investment performance.

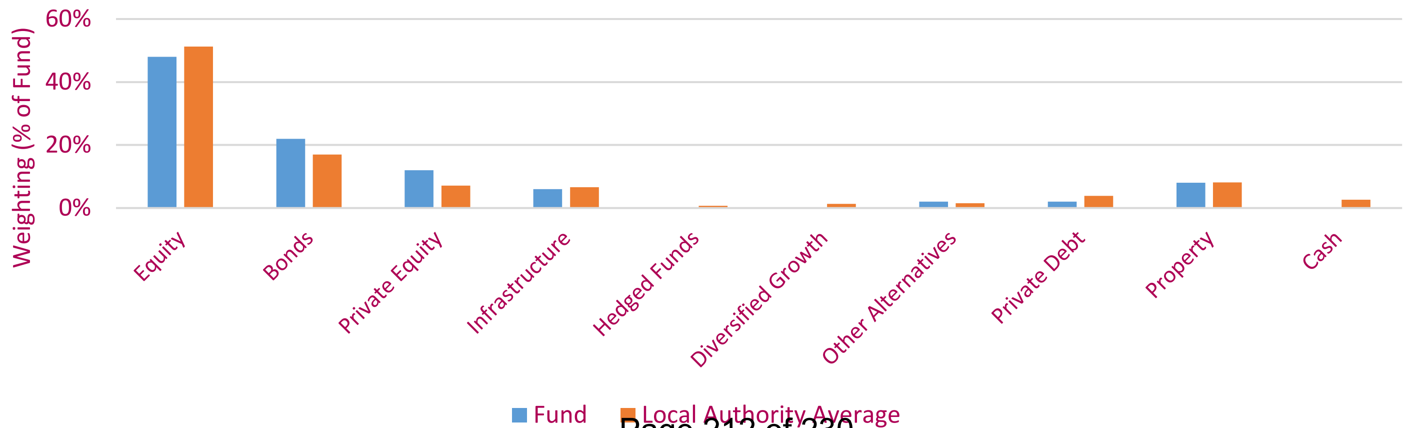
In 2023-24 the Fund's performance of 11.7% net of fees over the financial year was ranked 23rd percentile out of the 63 Funds participating in the Universe.

Investment Return compared to Local Authority Universe



The Fund's current strategy has a slightly lower allocation to Equities and private debt and a higher allocation to Bonds and Private Equity when compared to the Local Authority Universe.

Investment Allocation compared to Local Authority Universe



Investments (continued)

Climate Change Report

Executive summary

The Fund recognises the systemic risk associated with climate change as well as the County Council's targets in this regard and the views and aspirations of other scheme employers and scheme members.

In order to manage this systemic risk and to align with its support of the Paris Agreement and a "just transition", **the Fund currently expects that its investment portfolio will be net carbon neutral by 2050, in line with UK Government's targets.**

The Fund is working towards producing a climate change reports in future which comply with Task Force on Climate-Related Financial Disclosures (TCFD) reporting recommendations, which are expected to become mandatory for LGPS Funds in the coming years. This report provides a summary of the Fund's position as it relates to climate change, assessed across the four pillars under the TCFD Framework:

- **Governance**: How the Pension Fund Committee (PFC) maintains oversight and incorporates climate change into its decision making;
- **Strategy**: How potential future climate warming scenarios could impact the Fund;
- **Risk Management**: How climate-related risk is incorporated in the Fund's broader risk management processes; and
- **Metrics and Targets**: How the PFC measures, and monitors progress against different climate related indicators known as metrics and targets.

Governance

The Administering Authority has delegated to the PFC the power to determine and maintain the Fund's strategies, policies and procedures. Implementation of the strategy and the monitoring of performance is delegated to the Investment Sub-Committee (ISC), for which the membership is drawn from the PFC.

Research into how climate-related risks and opportunities impact financial markets is constantly evolving and expanding. The PFC or its ISC receives training on a regular basis to keep up-to-date with developments and will allocate time on meeting agendas to cover items such as developing and meeting the Fund's climate action plan, climate-change scenario analysis, reporting of metrics and monitoring of progress against agreed targets.

The PFC acknowledges that the reporting of climate-related risk is relatively new and the collective experience of the PFC and ISC will grow over time.

Climate change will form an explicit agenda item at least annually for the PFC or ISC when the Fund's climate action plan and / or when the Fund's annual climate change report is updated. It will also be covered as part of other agenda items as part of a wider discussion of funding or investment strategy, or as part of the investment manager appointment and review discussions.

Strategy

The Fund undertook climate scenario analysis on its investment strategy in 2021. Given the uncertainty around the timing and impact of climate-related transition and physical risks, the ISC considered three climate scenarios or 'warming pathways' i.e. the expected degrees of warming of the atmosphere by the end of the century relative to pre-industrial levels, to help test the resiliency of the Fund's investment strategies at the strategic level.

Whilst a lower warming pathway (**2ºC scenario**) is one in which governments, businesses and society should aim for as a minimum, there is a possibility that a failure to reduce GHG emissions quickly enough could set off irreversible feedback loops that significantly warms the planet (as modelled by **3ºC and 4ºC scenarios**).

The Fund will be impacted by climate change, regardless of the scenario that unfolds.

Investments (continued)

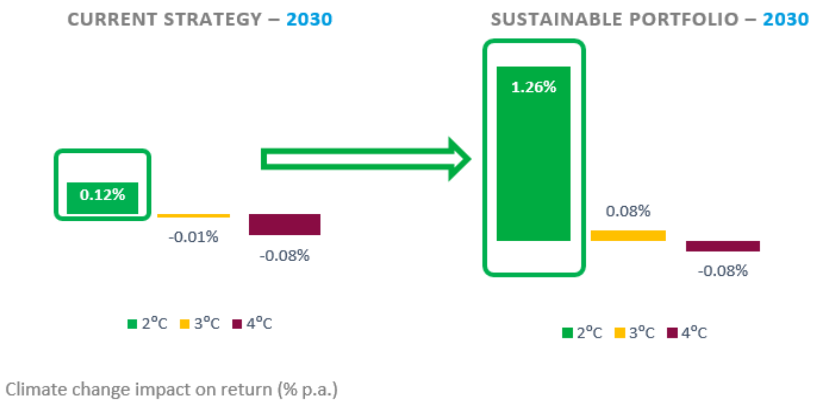
Resilience of the Fund's investment strategy

The table below shows how a 2°C scenario leads to enhanced projected returns for the Fund's investment strategy versus 3°C or 4°C scenarios, with the greatest Impact over the period to 2030.

Warming pathway scenario	Year	Climate change impact on return (% per year)
2°C	2030	0.12%
2°C	2050	-0.06%
2°C	2100	-0.08%
3°C	2030	-0.01%
3°C	2050	-0.06%
3°C	2100	-0.10%
4°C	2030	-0.08%
4°C	2050	-0.14%
4°C	2100	-0.18%

Transition opportunities emerge from a 2°C scenario

The graphic below illustrates the benefits of investing sustainably (i.e. in a portfolio broadly aligned with the Fund's investment strategy but where asset class exposures are mapped to sustainable equivalents).



As at 30 June 2021. Source: Mercer/Investment Managers

Under the 2°C scenario, to 2030, the Sustainable Portfolio is expected to benefit by up to +16.2% on a cumulative basis, compared with the Fund's current investment strategy.

Key findings of the analysis

Investing for a 2°C scenario is both an imperative and an opportunity the Fund should address.

- An imperative, since, for nearly all asset classes and timeframes, a 2°C scenario leads to enhanced projected returns versus 3°C or 4°C and a better investment outcome.
- An opportunity, since, although incumbents can suffer losses in a 2°C scenario, there are many notable investment opportunities enabled in a low-carbon transition, including sustainability themed investments in listed and private equities to infrastructure and fixed income.

Climate scenario analysis is an ever evolving space and, as such, the scenarios modelled and reported may be subject to review in future periods. It is important to note that the modelling may understate the true level of risk due to the uncertainty around the future economic impacts of climate change.

Action taken since analysis date

Since the date of the climate scenario analysis (30 June 2021), the ISC has undertaken a number of workstreams with a view to improving the sustainability characteristics of the Fund's investment strategy. These include:

- Reviewing the Fund's passive equity allocation (20% of total Fund assets at 30 June 2023) and implementing changes to the underlying benchmarks to increase exposure to stocks with positive climate-related characteristics, in favour of stocks with negative climate-related characteristics while maintaining expected return.
- Switching one of the Fund's multi-asset credit mandates (7.5% of total Fund assets at 30 June 2023) to a portfolio with the same expected risk and return and stronger integration of positive Environmental, Social and Governance factors.
- Agreeing a strategic allocation of 1% of total Fund assets to timberland.

Investments (continued)

Risk Management

This section summarises the primary climate-related risk management processes and activities carried out for the Fund. These assist with understanding the materiality of climate-related risks, both in absolute terms and relative to other risks that the Fund is exposed to.

Governance	The Fund recognises the systemic risk associated with climate change and the views and aspirations of other scheme employers and scheme members. The Fund has acknowledged the risk to the Fund of climate change in its Risk Register: "As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments." The Officers maintain a Climate Action Plan which is reviewed and updated on a regular basis. This document forms part of the ISC's wider business plan and summarises the progress, actions and outcomes of scheduled climate-related investment projects and tasks.
Strategy	The Fund's advisers will take climate-related risks and opportunities into account as part of the wider strategic investment advice provided to the Committee and ISC. This includes highlighting the expected change in climate-risk exposure through proposed asset allocation changes, both from the top-down level (via climate scenario analysis) and bottom-up (via climate-related metrics). Climate scenario analysis for the investments of the Fund will be reviewed periodically.
Reporting	The ISC will receive an annual climate dashboard providing an update on climate-related metrics and progress against targets in respect of the assets held in the Fund. The ISC may use the information to engage with the Fund's investment managers. The ISC receives a biannual stewardship monitoring report which summarises how the investment managers choose to vote and engage on climate-related issues (among other key engagement priorities).
Manager selection and retention	The ISC, with advice from its advisers, will consider an investment manager's firm-wide and strategy-specific approach to managing climate-related risks and opportunities when either appointing a new manager, in the ongoing review of a manager's appointment, or as a factor when considering the termination of a manager's appointment.

What are the climate-related risks and opportunities?

The Fund has considered two types of climate-related risks and opportunities in its climate scenario analysis:

1. Transition risks and opportunities

This covers the potential financial and economic risks and opportunities from the transition to a low-carbon economy (i.e. one that has a low or no reliance on fossil fuels), in areas such as:

- Policy and legislation
- Market
- Technology
- Reputation

Investments (continued)

Risks include the possibility of future restrictions, or increased costs, associated with high carbon activities and products.

There are also opportunities, which may come from the development of low-carbon technologies. In order to make a meaningful impact on reducing the extent of global warming, most transition activities need to take place over the next decade and certainly in the first half of this century.

2. Physical risks and opportunities

The higher the future level of global warming, the greater physical risks will be in frequency and magnitude. Physical risks cover:

- Physical damage (storms; wildfires; droughts; floods)
- Resource scarcity (water; food; materials; biodiversity loss)

Physical risks are expected to be felt more as the century progresses though the extent of the risks is highly dependent on whether global net zero greenhouse gas emissions are achieved by 2050.

There are investment opportunities, for example, in newly constructed infrastructure and real estate that are designed to be resilient to the physical impacts of climate change, as well as being constructed and operated in a way that have low or no net carbon emissions. There are also opportunities for investment in those companies or industries that focus on energy conservation and resource efficiency.

Metrics and targets

Metrics

The primary metrics that are used by the Fund to measure climate-related impact are:

- Absolute emissions. This is the total emissions of seven major GHGs associated with the investments held (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulphur hexafluoride and nitrogen trifluoride).
- Carbon footprint. This is the total emissions per million pounds invested.
- Weighted average carbon intensity (WACI). This is the total emissions per million pounds of sales

From the 2024 analysis date, the Fund's reporting will expand to include an additional forward-looking metric, SBTi alignment.

Limitations of emissions data

The Fund is aware of issues around climate-related data quality, in particular carbon data for many private companies, governments and asset classes is not currently sufficiently robust to set targets against. The Fund has therefore focused on the listed equity portfolio initially, given data quality is more robust within this asset class and it comprises a majority of the Fund's strategic investment portfolio.

The Fund will seek to include corporate bonds in its carbon reporting from the 2024 analysis date as the quality and availability of climate-related data has improved over time. The Fund will also request data across a range of metrics annually from its private markets investment managers and engage with them on improving this data over time.

The Fund is also aware that Scope 3 emissions data, i.e. covering indirect emissions from the value chain such as those embedded in material inputs or freight, is an area that needs development and as such it is not currently included in the Fund's target-setting process. However, the Fund will continue to collect this data to inform its engagement with investment managers.

Targets

The Fund's overall climate-related objective is to align its portfolio with a 'pursue efforts towards 1.5^{o}C' objective - i.e. net zero by 2050, with an aspiration of achieving a net zero position by 2045.

Targets were set on an absolute emissions basis in 2021, but also monitored on an intensity basis (using two intensity metrics: carbon footprint and weighted average carbon intensity (WACI)). However, the Fund switched to a carbon footprint metric as the baseline measure for a de-carbonisation pathway from the 2022 analysis date as it:

Investments (continued)

a) It is not impacted by changes in strategy, unlike absolute emissions. For example, a reduction in the Fund's strategic target equity allocation would, all else equal, lead to a reduction in the level of absolute emissions.

b) Widening the scope of the Fund's climate reporting to include additional asset classes would naturally increase absolute emissions.

Carbon footprint is not impacted in the same way. Instead, it normalises absolute emissions by the amount of assets invested.

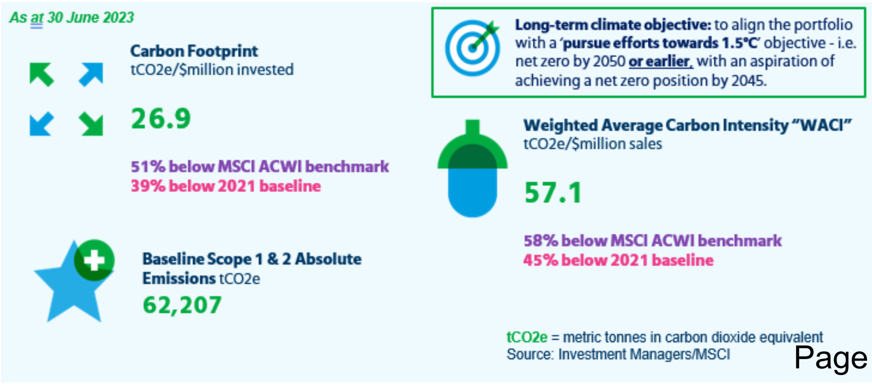
The Fund will continue to track both absolute emissions and WACI (and from the 2024 analysis date, SBTi alignment) as each metric provides a different insight as to the nature of the companies held within portfolios.

Carbon reporting dashboard

The Fund's metrics were initially measured as at 30 June 2021, providing a baseline for future targets, and were recalculated as at 30 June 2022 and 30 June 2023 in order to monitor progress against these targets. The metrics are set out in a publicly available carbon reporting dashboard:

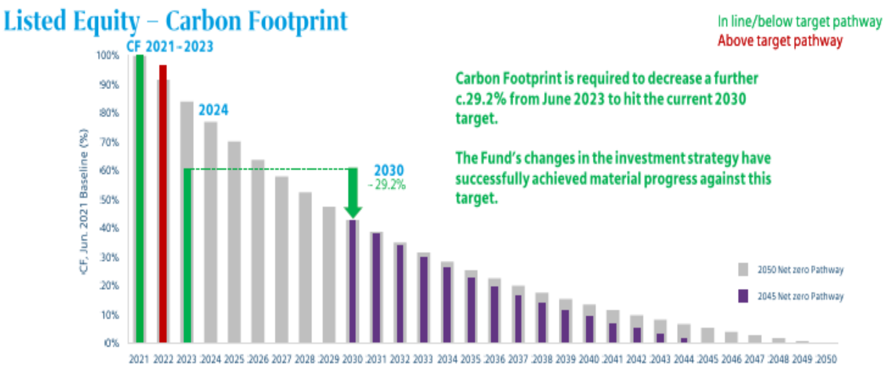
The reported metrics are based on Scope 1 and 2 emissions data for the listed equity portfolio. From 2024 this will be expanded to include corporate bonds.

The dashboard will be updated on an annual basis.



Progress against targets

The chart below demonstrates the Fund's progress (Green and Red bars) against the pre-defined pathway (Grey bars) required in order to achieve the Net Zero objective by 2050. The purple bars demonstrate the pathway to achieve Net Zero by 2045 for information.



Changes to the Fund's passive equity portfolio were implemented in early 2023 with the objective of improving the portfolio's climate characteristics. This is the key driver of the material reduction in the listed equity portfolio's carbon footprint over the year to 30 June 2023.

The Fund will review and assess its interim targets following analysis of its carbon metrics as at 30 June 2024.

Investments (continued)

Independent Adviser's annual review – Twelve months to 31st March 2024

It seems there doesn't seem to be such a thing as a "quiet year" any more. Events in the Middle East, with open conflict once again rearing its head, have added to a sense of uncertainty that the ongoing war in Ukraine only reinforces. Continued cost of living pressures at home and abroad make every day life for pension scheme members challenging. At least we have moved past the era of a new UK Prime Minister every few weeks / months!

I wrote last year about the need to maintain resilience in the portfolio, to diversify, weather inflation, and do so while meeting commitments made to address environmental and social concerns. I say the same this year.

Implementation of the Fund's Responsible Investment and net-zero policy continues apace, with good progress being made. This year has also seen positive momentum on development of private markets propositions from the ACCESS Pool with initial Real Estate and Infrastructure investment options coming on-line and a timeline in place for Timberland and Affordable Housing options to be in place. Furthermore, the overall funding position of the fund has continued to improve, leaving us in a strong position from which to address the various challenges we can anticipate in the coming year.

Here I take the opportunity to provide an investment review covering the financial year 2023/24, in addition to providing some thoughts for the future.

Market Activity

Equities

Global equities offered solid returns in Q2 2023, with the MSCI World index delivering 6.8% in USD terms. This was predominantly driven by developed markets, specifically the US. In contrast, emerging markets, as reflected by the MSCI EM Index's return of 0.9%, continued to lag behind. US equities experienced growth amid signs of a resilient economy, despite higher interest rates. Regardless of a slight rise in unemployment to 3.7% in May, the labour market remained historically tight. The technology sector led the stock market gains due to seemingly broad enthusiasm around the growing use of artificial intelligence. Eurozone shares also saw gains in Q2, with the IT and financial sectors leading the way, and the energy and communication services sectors underperforming. The European Central Bank raised interest rates twice during this period as headline inflation declined. Japanese shares, represented by the MSCI Japan index, returned 15.6% during the quarter in local currency terms and reached a 30-year high. This rally is partially credited to foreign investment inflows, expected corporate governance overhauls, and structural shifts in the economy. In the April and June policy meetings, the Bank of Japan, under the guidance of newly-appointed Governor Kazuo Ueda, persisted in their accommodative stance. Emerging market equities saw minor gains over the quarter, lagging behind developed markets. Contributing to this underperformance were tensions between the US and China, and concerns over China's weak economic recovery. Elsewhere, Brazil showcased notable strength backed by promising economic indicators. The tech sectors in Korea and Taiwan outpaced others due to optimism surrounding AI expansion, while Indian shares surged, buoyed by foreign investments and stable earnings.

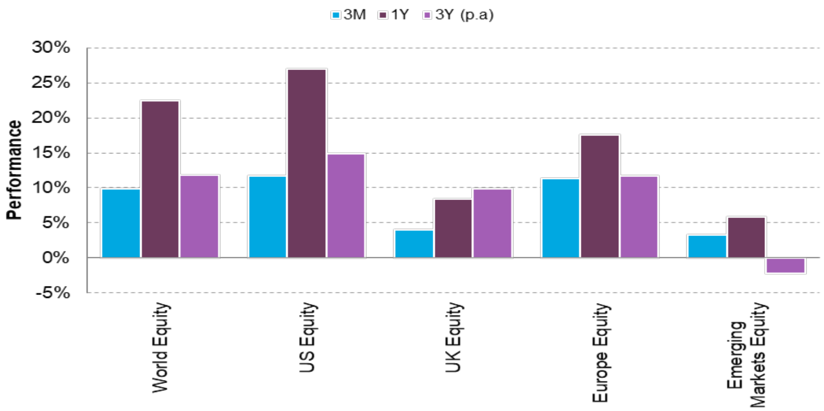
As we reached the end of September, global equities showed strength for the 6-month period but relinquished some of their gains from the previous quarter. Rising oil prices, geopolitical tensions and hawkish signalling from key central banks led the MSCI ACWI 3.4% lower. Though the economic landscape remained robust, the anticipation of 'higher for longer' interest rates to combat inflation coupled with higher oil prices translated to negative sentiment towards US equities. This impacted large tech firms like Apple and Microsoft, which can be considered "long-duration" businesses. Consequently, the S&P 500 fell 3.4% over the quarter. In local currency terms, European equities (as measured by MSCI Europe) dropped by 2.1%, driven by concerns around excessive monetary tightening. During this period, the European Central Bank initiated two interest rate hikes, leading to significant declines in the Consumer Discretionary and IT sectors.

Emerging markets also experienced declines, with the MSCI EM down by 2.9%. The ongoing weaknesses in the Chinese economy had a negative effect on risk appetite. Contributing to China's slowdown was the property sector, which faced increased pressure in September due to the risk of default from Country Garden, a major property company.

Additionally, Evergrande's trading was halted just a month after resuming from a 17-month suspension. In contrast, Japanese equities performed well, with the TOPIX rising by 2.5% in local terms. Positive economic growth, coupled with dovish sentiment from the Bank of Japan, contributed to the index's upward trajectory. Financials and domestically oriented small- and medium-sized companies outperformed.

Investments (continued)

Performance of Equity Markets to 31 March 2024



Source: bfinance

Indices Used

World Equity: MSCI World NR (GBP),US Equity: S&P 500 TR (GBP), UK Equity: FTSE 100 TR (GBP), Europe Equity: Euro STOXX 50 NR (GBP), Emerging Markets Equity: MSCI EM NR (GBP)

As 2023 drew to a close, global equity markets had delivered a robust rebound, bouncing back strongly from the declines of 2022. The MSCI ACWI posted a 22% return in USD terms. Moderating inflation invited the prospect of a 'soft economic landing' and the pivot towards an accommodative monetary policy environment. Markets consequently shifted focus from recession risk and ongoing geopolitical tensions. As a result, all major equity geographies except China concluded the year in positive territory. The final quarter of 2023 saw a reversal of Q3 weakness as dovish signalling from key central banks led to both developed (MSCI World, 11.4%) and emerging markets (MSCI EM, 7.9%) outperforming.

Within developed markets, the United States led the way (S&P 500, 11.6%), buoyed by the Federal Reserve's indication of potential interest rate cuts in 2024, following a two-year effort to stabilise rates. While a substantial portion of the year's returns came from a select group of US mega cap names associated with tech and innovation ('Magnificent Seven'), the overall positive market sentiment in Q4 saw returns across the market cap spectrum, with small and mid-caps outperforming.

In Europe (MSCI Europe, 6.4% in Euro), the prospect of no further rate increases in 2024 drove returns, despite downward revisions in economic growth expectations for 2023. Japan's participation in the Q4 rally was less exuberant compared to peers, with the Topix returning 2.0% in Yen terms. However, Japan emerged as one of the best-performing markets over the year due to improved governance reforms for listed companies alongside positive economic growth prospects. Within emerging markets, India, Taiwan, and Latin America strongly outperformed offsetting the underperformance of China. A key index constituent, China lagged behind (MSCI China, -4.2% in USD) due to factors including sluggish economic data and the ongoing real estate crisis.

In the last quarter, global equity markets again exhibited robust performance, bolstered by favourable economic indicators. The MSCI All Country World Index (MSCI ACWI) rose by +8.2%. Developed markets were the primary drivers of this growth, while emerging markets also posted gains, albeit more modest, with a +2.4% increase in USD terms. Japanese equities experienced significant growth, with the TOPIX index surging up +18.1% in Yen terms. This rise was primarily attributed to strong corporate earnings and a supportive monetary policy from the Bank of Japan, which raised interest rates for the first time in 17 years, shifting from negative rates (-0.1%) to a target range of 0.0-0.1%. in the United States, markets outperformed expectations due to stronger-than-anticipated economic data. The S&P 500 marked a substantial rise of +10.4%. Large-cap stocks outperformed their smaller counterparts, driven by the 'magnificent seven,' who benefited from optimism surrounding artificial intelligence (AI) as well as positive earnings reports from the previous quarter. European markets also saw gains, with the MSCI Europe index increasing by +7.6% in Euro terms. The economic outlook improved significantly, with the Eurozone composite index moving from contraction to near-neutral levels (a reading above 50 indicates growth, while below 50 indicates contraction).

Sectors sensitive to economic cycles, such as Financials, Industrials, and Consumer Discretionary, performed particularly well. Emerging markets ended the quarter on a positive note driven by various factors. Regions like Taiwan capitalised on the AI-driven optimism, showing notable outperformance.

Investments (continued)

Meanwhile, countries such as India and Turkey experienced growth driven by economic improvements. However, concerns over China's growth prospects, particularly due to ongoing issues in the property sector, dampened overall performance. An additional drag on returns also came from Latin American markets, specifically Brazil, influenced by pricing pressure in the iron ore sector.

Bonds

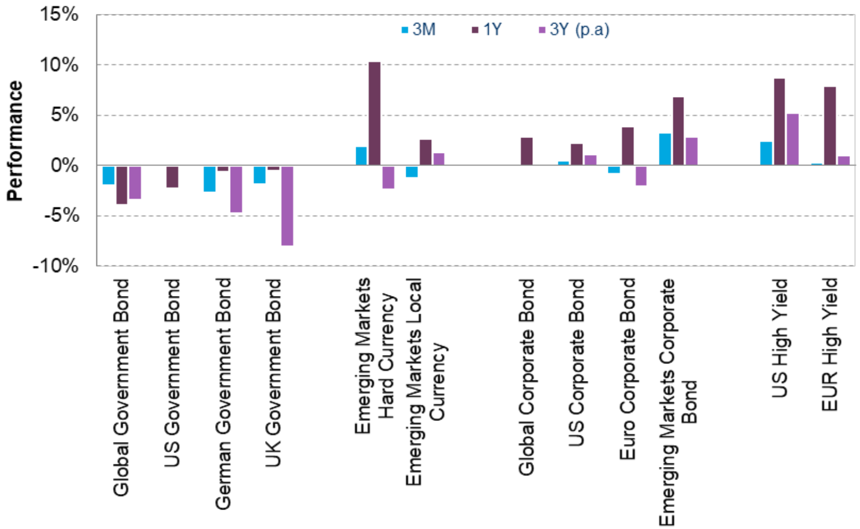
The second quarter of 2023 saw renewed pressure on interest rate sensitive markets as inflation numbers across the developed world came in higher than expected. Central banks responded to the risk of more entrenched inflation by increasing interest rates, with the Federal Reserve raising rates by 25bps in Q2, the ECB hiking rates by 50bps over the quarter and the Bank of England increasing its base rate by 75bps during the second quarter. As a result, government bond yields in developed markets increased as investors anticipated stronger monetary policy as a response. This rise in yields saw the DM indices post negative returns for the quarter. Credit spreads tightened across the board as investors took a more "risk on" stance and credit indices showed positive performance across the credit quality spectrum.

Hard Currency emerging market debt returned +2.2% in USD terms in Q2 2023, mainly driven by credit spread compression. 62 out of 70 countries in the JP Morgan EMBI Global Diversified index posted positive returns over the quarter.

After a good start to the quarter in July, the following two months, and especially September were volatile for fixed income investors as expectations of sustained higher interest rates weighed on bond markets. In this context, credit-oriented strategies outperformed the more interest sensitive asset classes, as government yields rose further, and credit spreads kept remarkably broadly unchanged. In the US, the Fed lifted interest rates by 25bps at its July policy meeting, but took a pause at the September meeting, in line with expectations. Yet the Fed turned rather hawkish and indicated the possibility of further rate hikes, and sentiment shifted towards "higher for longer" narrative due to reducing, yet still somewhat persistent inflation numbers and strong economic data.

Despite rates volatility, spreads behaved and ended the quarter broadly unchanged. Ultimately, all rating buckets retreated, but lower-rated securities and typically less rate sensitive BBBs outperformed delivering -2.3%. Yields for the asset class have climbed above 6% with an increase of 55bps for the quarter. High yield bonds outperformed significantly when compared to their higher quality counterparts due to the shorter duration of the asset class.

Hard Currency emerging market debt was down over the quarter, offsetting Q2 gains. The rise in US core rates weighed on hard currency asset classes. Only 26 countries out of 70 posted positive returns with top performers being smaller frontier countries such as Venezuela (+29.6%), Lebanon (+24.9%), El Salvador (+23.0%) and Ukraine (+21.1%).



Source: bfinance

Indices Used

World Equity: Barclays GlobalAgg Treasury TR (GBP Unhedged), ICE BofA ML US Treasury (GBP Unhedged), ICE BofA ML German Government (GBP Unhedged), ICE BofA ML UK Gilt (GBP Unhedged), JPM EMBI GLOBAL DIVERSIFIED TR (GBP Unhedged), JPM GBI-EM Global Div TR (GBP Unhedged), Barclays Global Agg Corporate TR (GBP Unhedged), Barclays US Agg Corporate TR (GBP Unhedged), Barclays Euro Agg Corporate TR (GBP Unhedged), JPM CEMBI BROAD DIVERSIFIED TR (GBP Unhedged), ICE BofA ML US High Yield (GBP Unhedged), ICE BofA ML Euro High Yield (GBP Unhedged).

Investments (continued)

The final quarter of 2023 saw strong returns across a broad range of fixed income markets, as inflation data across the developed world showed signs of falling, leading markets to believe central banks could move from hiking rates to reducing them in 2024. Credit spreads ended the quarter at 88bps, tighter by 19bps as economic growth continued to be robust. This narrowing was seen across the quality spectrum with AA spreads and BBB spreads tightening by 9bps and 24bps respectively.

Hard Currency emerging market debt returned 9.2% in USD terms in Q4 2023, mainly driven by the decline in underlying US treasury yields. This strong quarter pushed full year returns to 11.1%. Spreads narrowed by 47bps, ending the quarter at 383bps for a yield-to worst of 7.84%. In the quarter, 64 out of 69 countries in the JP Morgan EMBI Global Diversified index posted positive returns. Frontier markets were the main beneficiaries of a more risk on environment. Spreads on EM corporate debt narrowed slightly compared to the end of Q3 and higher yield issuers slightly underperformed Investment grade names. Finally, local currency emerging market debt delivered a positive return of +8.1% (in USD terms) in Q4 2023, driven by a rally in both EM FX & local rates. Local yields fell across a broad range of EM countries as markets priced in further rate cuts as inflation numbers moderated. The dollar was also weaker relative to most EM currencies, with several Eastern European currencies in particular posting strong returns.

Despite dovish signs from the FOMC and Federal Reserve at the back end of 2023, there still appears to be no sign of a rate cut in sight, particularly as the US recently recorded a slight uptick in inflation. The first quarter of 2024 saw fixed income markets become more concerned about the ‘potential for stickier inflation’, particularly in the US as CPI made a surprising move to the upside with a figure of +3.5% year-on-year (YoY) in March, whilst European CPI was slightly cooler at +2.9% YoY and UK CPI registered a +3.4% YoY increase. Markets walked back their hopes of central bank rate cuts and most major central banks kept their policy levels unchanged. At the same time, continued robust economic growth numbers left markets happier to reward credit risk. As a result, government bond yields in developed markets increased and credit spreads tightened further as economic growth numbers continued to be robust.

Hard Currency emerging market debt returned +2.0% in Q1 2024, driven by a narrowing in sovereign credit spreads, which helped offset the rise in underlying treasury yields. Local currency emerging market debt delivered a negative return of -2.1% (in USD terms) in Q1 2024, driven by a rally the US dollar as markets priced out interest rate cuts making the dollar appreciate against most currencies.

Fund Activity

Valuation and Strategic Asset Allocation review

Even with the committee having taken some steps to reduce risk in the portfolio and introduce more diversification and focus on income, fund assets finished the year in excess of £4.8 billion, an increase of c.£526m in the past 12 months. With the fund’s liabilities remaining relatively stable over the same time period we are in the enviable position of being extremely well funded, securing the position the fund is in to meet its existing and future pension payments. Confidence in the fundamental funding position remains empowering when it comes to taking decisions regarding the fund’s social and environmental impact, decisions that I have said before could be more complicated should the requirement for financial growth be substantially more urgent.

Responsible Investment

In line with plans made following the adoption of a new Responsible Investment Policy in 2021, along with a revised Investment Strategy Statement and net zero investment commitments the fund has made substantial changes this year with a shift to low carbon passive equity investments. The fund’s consultants are providing regular reporting on the portfolio’s carbon footprint and the committee is monitoring progress closely to ensure we continue to move along our net zero pathway.

Similar scrutiny is being applied to the stewardship of our assets with robust reporting on voting activity at companies we invest in and Environmental, Social and Governance investment concerns form a substantial part of investment decision making for the fund.

I’m confident the work of officers and committee members in this regard is delivering an investment programme to be proud of. One that is delivering the returns needed to safeguard members’ pensions while also ensuring that we leave the world a better place for future generations.

Investments (continued)

Fund Performance

The fund continues to perform well, seeing a further increase in its funding ratio in the past year as the value of the liabilities remained stable while asset values climbed strongly (up c.£575m or c.14%).

For the past 12 months our equity investments are in aggregate up 20.8% slightly behind the passive benchmark return of 21.7%. Fixed income investments are also up, if more modestly at 3.7% vs benchmark 4%. The alternatives portfolio demonstrated significant diversification but ultimately returned just 1.6% vs the long term benchmark of 8%.

As I have mentioned previously, the Fund has seen significant asset allocation change over the past couple of years with a substantial uplift in the target allocation to alternatives, funded by a reduction in equity investments, and this continues to be the trend.

These alternative investments, particularly those focused on infrastructure, are designed to enhance portfolio diversification – providing a return stream meaningfully different to that provided by the equity investments and also have potentially useful inflation proofing characteristics. These investments take time to build up, committing to managers who then go out and source appropriate assets over an investment period that can run to several years.

The ACCESS Pool has begun delivering on ambitions to provide highly cost effective and efficient alternatives investment solutions, with new Real Estate investment options likely to be implemented shortly and several other asset areas of interest to the fund nearing launch.

Outlook

The past year has again been all about inflation and it will continue to be a substantial theme for the year ahead. While inflation shows some signs of reducing, interest rates remain elevated, and many expect them to stay "higher for longer".

Political uncertainty, (in particular relating to US elections due this year but also a General Election due in the UK), continued war in Ukraine and more recent conflict in the Middle East make predictions on asset class investment performance incredibly difficult. We will rely on the diversified nature of the fund's investment portfolio and react to major events in a considered and thoughtful manner as they occur.

Progress against our responsible investment and environmental impact commitments is much more within the committee's control. As data quality continues to get better and better we are increasingly well equipped to understand the nuances of the impacts our investments are having and we can look to shape these to meet our objectives.

The ACCESS Pool private markets propositions are starting to become a reality and I can envision some fantastic opportunities to gain exposure to highly beneficial alternative asset classes in a more efficient and effective manner this year.

With the fund in a healthy funding position we are in a good place, with strong governance and a resilient portfolio, to continue to face the future with confidence.

Sam Gervaise-Jones, CFA

May 2024

Actuarial Information

Cambridgeshire Pension Fund ("the Fund") Actuarial Statement for 2023-24

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013. It has been prepared at the request of the Administering Authority of the Fund for the purpose of complying with the aforementioned regulation.

Description of Funding Policy

The funding policy is set out in the Administering Authority's Funding Strategy Statement (FSS), dated March 2023. In summary, the key funding principles are as follows:

- take a prudent long-term view to secure the regulatory requirement for long-term solvency, with sufficient funds to pay benefits to members and their dependants
- use a balanced investment strategy to meet the regulatory requirement for long-term cost efficiency (where efficiency in this context means to minimise cash contributions from employers in the long term)
- where appropriate, ensure stable employer contribution rates
- reflect different employers' characteristics to set their contribution rates, using a transparent funding strategy
- use reasonable measures to reduce the risk of an employer defaulting on its pension obligations
- manage the fund in line with the stated ESG policies.

The FSS sets out how the Administering Authority seeks to balance the conflicting aims of securing the solvency of the Fund and keeping employer contributions stable. For employers whose covenant was considered by the Administering Authority to be sufficiently strong, contributions have been stabilised to have a sufficiently high likelihood of achieving the funding target over 20 years. Asset-liability modelling has been carried out which demonstrate that if these contribution rates are paid and future contribution changes are constrained as set out in the FSS, there is at least a 70% likelihood that the Fund will achieve the funding target over 20 years.

Funding Position as at the last formal funding valuation

The most recent actuarial valuation carried out under Regulation 62 of the Local Government Pension Scheme Regulations 2013 was as at 31 March 2022. This valuation revealed that the Fund's assets, which at 31 March 2022 were valued at £4,305 million, were sufficient to meet 125% of the liabilities (i.e. the present value of promised retirement benefits) accrued up to that date. The resulting surplus at the 2022 valuation was £860 million.

Each employer had contribution requirements set at the valuation, with the aim of achieving their funding target within a time horizon and likelihood measure as per the FSS. Individual employers' contributions for the period 1 April 2023 to 31 March 2026 were set in accordance with the Fund's funding policy as set out in its FSS.

Principal Actuarial Assumptions and Method used to value the liabilities

Full details of the methods and assumptions used are described in the 2022 valuation report.

Method

The liabilities were assessed using an accrued benefits method which takes into account pensionable membership up to the valuation date; and makes an allowance for expected future salary growth to retirement or expected earlier date of leaving pensionable membership.

Actuarial Information (continued)

Assumptions

A market-related approach was taken to valuing the liabilities, for consistency with the valuation of the Fund assets at their market value.

The key financial assumptions adopted for the 2022 valuation were as follows:

Financial Assumptions	31 March 2022
Discount Rate	4.9%
Salary increase assumption	3.2%
Benefit increase assumption(CPI)	2.7%

The key demographic assumption was the allowance made for longevity. The life expectancy assumptions are based on the Fund's VitaCurves with improvements in line with the CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of 1.50% p.a. Based on these assumptions, the average future life expectancies at age 65 are as follows:

	Males	Females
Current Pensioners	22.0 years	24.6 years
Future Pensioners*	22.8 years	26.1 years

*Aged 45 at the 2022 Valuation.

Copies of the 2022 valuation report and Funding Strategy Statement are available on request from the Administering Authority to the Fund to the Fund and on the Fund’s website.

Experience over the period since 31 March 2022

Markets were disrupted by the ongoing war in Ukraine and inflationary pressures in 2022 and 2023, impacting on investment returns achieved by the Fund’s assets. High levels of inflation in the UK (compared to recent experience), have resulted in higher than expected LGPS benefit increases of 10.1% in April 2023 and 6.7% in April 2024. However, asset performance has improved towards the end of 2023 and into 2024 and inflation has begun to return towards historical levels and the Bank of England’s target (2% pa). There has been a significant shift in the wider economic environment since 2022, resulting in generally higher expected future investment returns and a reduction in the value placed on the Fund’s liabilities. Overall, the funding position is likely to be stronger than at the previous formal valuation at 31 March 2022.

The next actuarial valuation will be carried out as at 31 March 2025. The Funding Strategy Statement will also be reviewed at that time.

Adrian Loughlin FFA

10 May 2024

For and on behalf of Hymans Robertson

Actuarial Information (continued)

Extract from the Actuarial Valuation Report

Executive Summary

We have carried out an actuarial valuation of the Cambridgeshire Pension Fund ("the Fund") as at 31 March 2022. The results are presented in this report and are briefly summarized below.

Funding Position

The table below summarises the financial position of the Fund at 31 March 2022 in respect of benefits earned by members up to this date (along with a comparison at the last formal valuation at 31 March 2019).

Valuation Date	31 March 2019 (£m)	31 March 2022 (£m)
Past Service Liabilities	3,204	3,445
Market Value of Assets	3,193	4,305
Surplus/(Deficit)	-11	860
Funding Level	100%	125%

The most significant external event to occur since the last valuation has been the Covid-19 pandemic. The impact on the funding position has been small, likely due to the age profile of the excess deaths and the level of pension.

Other significant factors occurring which affect the funding strategy of the Fund have been the better than expected investment returns. This has had a material positive impact on the funding position and employers' secondary contribution rates.

Contribution Rates

The table below summarizes the whole fund Primary and Secondary Contribution rates at this triennial valuation. The Primary rate is the payroll weighted average of the underlying individual employer primary rates and the Secondary rate is the total of the underlying individual employer secondary rates (before any pre-payment or capitalization of future contributions), calculated in accordance with the Regulations and CIPFA guidance.

Primary Rate (% of pay)	Secondary Rate (£)		
1 April 23 – 31 March 26	2023-24	2024-25	2025-26
18.4%	£16,449,000	£14,485,000	£13,144,000

The Primary rate also includes an allowance of 0.8% of pensionable pay for the Fund's expenses. The average employee contribution rate is 6.4% of pensionable pay.

The minimum contributions to be paid by each employer from 1 April 2023 to 31 March 2026 are shown in the Rates and Adjustment Certificate.

Douglas Green FFA

Robert McInroy FFA

31 March 2023

For and on behalf of Hymans Robertson LLP

The full valuation report is available on the Funds website [2022 Valuation Report]

Cambridgeshire Pension Fund Committee/Investment Sub Committee Agenda Plan

Meeting Date	Agenda item	Lead officer
October 2024 PFC	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby
	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Code of Practice compliance and action plan [review]	M Oakensen
	Stewardship Code	B Barlow
	Pension Dashboard Update	M Oakensen
	Overpayment of Pension Entitlement Policy	M Oakensen
	Annual Report 2023/24	F Coates
	ACCESS Update [standing item] (Exempt report)	M Whitby
November 2024 ISC	Stewardship and Engagement Update	B Barlow
	Cambridgeshire County Council Pension Fund Quarterly Performance Report - Public	Mercer
	Cambridgeshire County Council Pension Fund Quarterly Performance Report – Exempt report	Mercer
	Equity Portfolio Review – Exempt report	B Barlow
	Use on Derivatives – Exempt report	B Barlow
December 2024 PFC	Administration Report [standing item]	M Oakensen
	Business Plan Update [standing item]	M Whitby

	Governance and Compliance Report [standing item]	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	External Audit Plan Results Report and Statement of Accounts [to note]	F Coates
	EDI Policy	M Oakensen
	Cambridgeshire Pension Fund Committee Effectiveness Review [to note]	M Oakensen
	Cyber Strategy[approval]	M Oakensen
	Risk Strategy [approval]	M Oakensen
	Risk Monitoring [standing item] Exempt report	M Oakensen
	ACCESS Update [standing item] Exempt report	M Whitby
March 2025 PFC	Administration Report [standing item]	M Oakensen
	Governance and Compliance Report [standing item]	M Oakensen
	Business Plan Update [standing order]	M Whitby
	Annual Business Plan and Medium-Term Strategy [to approve]	M Whitby
	Training Strategy	M Oakensen
	Employer Admission and Cessation Report [standing item]	C Blose
	Communication Plan	C Blose
	Payment of Employee and Employer Pension Contributions Policy [approval]	F Coates
	Investment Strategy Statement	B Barlow
	Multiple Investment Strategies	B Barlow
	Anti-Fraud and Corruption Policy [approval]	M Oakensen

	Admission Bodies, Scheme Employers and Bulk Policy [approval]	C Blose
	ACCESS Update [standing item] Exempt report	M Whitby