

PENSION FUND COMMITTEE



Thursday, 19 December 2024

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

10:00

New Shire Hall
Alconbury Weald
Huntingdon
PE28 4YE

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

AGENDA

Open to Public and Press

- 1. Apologies for Absence and Declarations of Interest**
Guidance on declaring interests is available in [Chapter 6 of the Council's Constitution \(Members' Code of Conduct\)](#)
- 2. Minutes - 2 October 2024 (Public)** **5 - 16**
- 3. Public Questions and Petitions**
- 4. Administration Report** **17 - 32**
- 5. Governance and Compliance Report** **33 - 44**
- 6. Pension Fund Annual Business Plan Update 2024/25** **45 - 66**
Appendix 1 included within the report.
- 7. Employers Admissions and Cessations Report** **67 - 74**

8.	General Code of Practice Appendix 1 included in the report.	75 - 88
9.	Pensions Dashboards Update	89 - 94
10.	Effectiveness Review	95 - 112
11.	Anti-Fraud and Corruption Policy	113 - 132
12.	Admissions Bodies, Scheme Employers and Bulk Transfers Policy	133 - 156
13.	Cambridgeshire Pension Fund Committee Agenda Plan	157 - 160
14.	Exclusion of Press and Public <i>To resolve that the press and public be excluded from the meeting on the grounds that the agenda contains exempt information under Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended, in that it would not be in the public interest for this information to be disclosed: information relating to the financial or business affairs of any particular person (including the authority holding that information)</i>	
15.	CONFIDENTIAL Minutes - 2 October 2024 <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	
16.	CONFIDENTIAL Valuation Update <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	
17.	CONFIDENTIAL Cyber Strategy <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	
18.	CONFIDENTIAL - Risk Monitoring <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	
19.	CONFIDENTIAL ACCESS Update <ul style="list-style-type: none"> • Information relating to the financial or business affairs of any particular person (including the authority holding that information); 	

The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as

Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chair of the Council and political Group Leaders which can be accessed via the following link or made available on request: [Filming protocol hyperlink](#)

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

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

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

The Pension Fund Committee comprises the following members:

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

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

Pension Fund Committee: Minutes – Public

Date: 2 October 2024

Time: 10.00am – 12.37pm

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors M Black (Vice Chair), A Costello, A Sharp (from 10.57am), A Whelan (Chair) and A Wood; C Boden, Fenland District Council; L Davenport-Ray, Huntingdonshire District Councillor; L Brennan, H Nelson and M Pink

215. Apologies for absence and declarations of Interest

Apologies for absence were received from Councillors H Batchelor and P McDonald (substituted by Councillor A Wood) and H Nelson. Councillor Sharp sent apologies that he would be arriving late.

Liz Brennan declared an interest as active member of the pension scheme. Matthew Pink declared an interest as an active member of the scheme, and that his wife was a retired member of the scheme.

216. Minutes – 18 July 2024 (public) and Minutes Action Log

The public minutes of the Pension Fund Committee meeting on 6th June 2024 were approved as an accurate record and signed by the Chair.

The minutes action log was reviewed and verbal updates provided:

- i. Minute 204: Minutes 6 June 2024 and Minutes Action Log
A member had asked how the County Council's commitment to community wealth building was incorporated into procurement and investment decisions. The Chair acknowledged this as an area of interest, but was concerned that the cost of obtaining the information should not be disproportionate. They asked officers to explore what relevant data was held already and the ease of obtaining further quality data. **Action required**
- ii. Minute 213: Minutes 18 July 2024 and Minutes Action Log
A member asked a follow up question on how robust the carbon reporting is and how much of the data is actual and estimated in the climate report. The Investment and Fund Accounting Manager advised that Mercer was producing a report for the ISC, and this could be shared with committee members too. **Action required**

iii. Minute 195: Pension Fund Annual Business Plan Update Report 2024/25

Members welcomed the two thirds reduction in the undecided leavers backlog, but noted that some of the remaining cases were over 10 years old. They asked whether this was an administrative issue or if individuals were being impacted. The Head of Pensions stated that priority had been given to issues that were critical to members, such as processing cases where members are retiring or are at an age where they could voluntarily retire. He offered an assurance that cases where a member was due a pension would already have been prioritised. Longstanding cases may, for example, include guaranteed minimum pension cases where we cannot trace the member and therefore cannot physically process the case or may be complex with ongoing records. Tracing organisations were used to help locate members and national pensions awareness campaigns encouraged people to check for unclaimed pensions. Promoting member self-service was the optimum route for members to stay in touch securely.

The minutes action log and verbal updates were noted.

217. Petitions and Public Questions

There were no petitions or public questions.

218. Administration Performance Report

Members were advised that 12 key performance indicators (KPIs) had not been met in the period 1 April to 31 July 2024. Inexperience within teams, vacancy levels and staff sickness had all contributed to this, and cases were being prioritised to ensure the most urgent were addressed first. The KPI for providing an estimate of benefits to employees was red rated and it was expected to remain so for some time as these were a lower priority unless they were needed quickly in which case they would be prioritised. Mitigations included additional staff resource being recruited into team including a training officer post. The KPIs were being reviewed against CIPFA annual report guidance and a payment of refund KPI would be added. The aim was to bring the full suite of KPIs to the meeting in March 2025 and to begin reporting against these from April 2025. Additional narrative had been added around the customer journey as previously requested and officers were looking at systemic issues analysis, initially around starters and leavers. One breach of the law was reported which related to the number of annual benefit statements not issued in time for a small number of complex cases. One Stage 1 dispute had been upheld and one partially upheld. These would be reviewed to take learning from the issues raised.

Individual members raised the following issues:

- Appendix 1: asked whether there was an automated way for members to obtain an estimate of benefits. Officers advised that the Pensions team accepted direct requests for estimates, but also encouraged members to use the self-service options available via a secure portal. The number of self-service users per month was not included in the figures, but this information could be included in future reports. The member expressed some surprise that it took so long to respond to direct requests when only around two were received per day. The Head of Pensions explained that estimate requests were also

received from employers which could be larger volume and time critical which impacted capacity. The Chair asked that officers look at what information around this could be provided next time. **Action required**

- Appendix 2: learned that customer journey reporting was automated, with reports run regularly. Those not in target were generally due to information being received late from employers, so whilst this was followed up with them it was unlikely a 100% rate would be achieved. Member response times also contributed to the overall customer journey experience.
- Appendix 2: noted the percentage of failures to inform scheme members of benefits due to employer delays and asked if it was the same employers causing this issue each time. Officers advised that it was a number of employers at present, some of whom outsourced their payroll services which complicated matters. Analysis of this was being undertaken so while it was not possible to give a definitive answer now this would be available in the future.
- learned that legislation was expected to remove the requirement to report contribution payments made outside of the 5 year period during 2025.
- asked whether complaints tended to relate to one-off errors or if they indicated more systemic issues. Officers advised that there was a mixture of the two. The more systemic complaints tended to be around breakdowns in communication and these were reviewed via the Quality Assurance Board. Determinations made nationally by the Pensions Ombudsman were also reviewed to identify learning.

It was resolved unanimously to:

- a) note the Administration Performance Report.
- b) note the Data Improvement Plan located in Appendix 5.

219. Pension Fund Annual Business Plan Update report 2024-25

The Head of Pensions advised that Heywood Pensions Technology Ltd's Integrated Service Provider solution and associated data quality reports had been procured to enable connection to the dashboard infrastructure, so that indicator would change to green. More detail was needed than had originally been envisaged in relation to activities within the Fund's Climate Action Plan, but progress was being made. Good progress had been made in-year on processing undecided leaver records, but this work had stalled over the summer due to pressure of other business and the indicator was amber. An end of life letter had been received for the current member self-service solution for January 2026 so work was taking place around that. Website development was progressing well and should launch by the end of the year.

A member asked for an update on the climate action plan. Officers advised that much of the data was not reliable at this stage and that they were in discussion with Mercer about this. It was hoped that the data could be included in the next report.

A question about cyber security was raised which was answered during private session.

The Pension Fund Annual Business Plan Update report 2024-25 was noted.

220. Governance and Compliance Report

The Governance and Regulations Manager provided an update on McCloud and reported that regulations were laid on 28 August 2024 to come into force on 1 September, preventing the Fund from having to report a breach of the law to TPR, the regulation would be backdated to October 2023. The Fund was compliant on 2023/24 annual benefit statements that had been issued and needed to be mindful for the 2024/25 benefit statements to ensure compliance.

A positive response had been received to the recent recruitment exercise to fill a vacancy on the Local Pensions Board, successfully identifying a preferred candidate from a high calibre field of applicants following interviews.

Progress was being made on reviewing policies and strategies in accordance with agreed arrangements. 80% of committee members with membership of 12 months or more had completed the online skills and knowledge training.

The Governance and Compliance Report was noted.

[Councillor Sharp joined the meeting at 10.57am]

221. Employer Admissions and Cessations Report October 2024

The Committee reviewed the proposed admission of eight employers to the Cambridgeshire Pension Fund across nine admission agreements and were advised of the cessation of nine admission agreements in relation to eight employer.

It was resolved unanimously to:

1. Note the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund and approve 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. Note 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

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

222. Overpayment of Pension Entitlement and Debt Recovery Policy

The Governance and Regulations Manager advised that the overpayment of pension entitlement and debt recovery policy had been due for officer review only at this point in the review cycle. However, it was felt that the policy needed to look more widely at employer and miscellaneous debts so this had been brought to the Committee for consideration. This was not due to any concerns around volume or amount of debt, but represented good governance and transparency. Work was in hand on internal guidance for all overpayments. This had been shared in draft with the Local Pensions Board and had resulted in the inclusion an additional explanation of the £250 overpayment write off and a new section at paragraph 8.5 stating that aggregated overpayment/ debt amounts that were deemed to be material to the Fund would be raised with the s151 Officer and Pension Fund Committee by the Head of Pensions. The examples at Appendix 1 would also be updated in the next version.

It was resolved unanimously to approve the overpayment of pension entitlement and debt recovery policy.

223. General Code of Practice Compliance

The General Code of Practice had been enforced since March 2024, and Officers had decided to split into three elements to report to the Committee to ensure a robust review was undertaken for each requirement (regulatory, TPR expectations and best practice). The first report contained the review against regulatory compliance and highlighted two issues of partial compliance. On the first a conflicts of interest register was already in place, but the Code contained an additional requirement for Local Pension Board conflicts of interest to be published. This had been completed. The second related to leavers who were entitled to either a refund or refund and cash transfer quote. A process was already in place to identify these, but there was no reporting mechanism to identify if this had been done in a timely manner. It was hoped to automate this process and a key performance indicator (KPI) was in development.

The independent governance adviser Hymans Robertson had been asked to conduct a desktop review of compliance. This resulted in two further activities being identified for further consideration that did not impact regulatory compliance but could offer additional assurance. These related to the internal dispute resolution process and giving further consideration to whether any knowledge or competence assessment should be undertaken to demonstrate committee members' knowledge and skills

Individual members raised the following points:

- shared their recollection that the pass rate for some learning modules was zero percent. Officers confirmed that the current arrangements might not be as robust as the pensions regulator would wish for the committee to demonstrate the skills and knowledge needed to discharge its responsibilities. Further discussion around this with the committee would probably be needed. The Chair stated that it would be good to have a minimum pass rate for all learning modules.
- asked whether other training providers were available. The Governance and Regulations Manager advised that Hymans Robertson were the only Local Government Pension Scheme specialist trainers available when the existing training offer was adopted, but undertook to check the current position. A member observed that the City of London Corporation Pension Fund Board had a different training provider. **Action required**

The regulatory compliance check against the General Code of Practice was noted.

224. Pensions Dashboards Update

The Committee was advised that the pensions dashboard update was generally included in the Governance and Compliance report, but going forward it would be a separate report in order to provide a clear audit trail of the information communicated to the committee and the decisions which the committee made. The deadline for connecting the integrated service provider (ISP) to the pensions dashboard infrastructure was 31 October 2025. The date at which scheme members and the public would be able to access the dashboard was not yet known, but was expected to be around mid-2026. Pension schemes would need to decide on matching criteria to match scheme members to their pensions, and proposals on this would be brought to the committee for consideration. The data which would be available via the dashboard would be quite high level, with the member self-service option offering more detail. Some post-connection testing of the dashboard would be critical to ensure compliance with the Money and Pension Service (MaPS) code of connection. Paragraph 5.1 set out the revised implementation costs which were less than those contained in the 2024/25 business plan.

A member noted that the Pensions Regulator had started an awareness campaign in July and asked whether more questions were being received in light of that. The Head of Pensions advised that he did not recall any enquiries to date, but hoped it would encourage further take-up of the member self-service scheme when it went live in 2026.

It was resolved unanimously to note:

- a) the contents of the report.
- b) The changes to the budget associated with the Pensions Dashboard Programme.

225. Annual Report 2023/24

The annual report was usually produced alongside the statement of accounts, but it had been separated out this time for ease of use. Signing off the annual report was the responsibility of the Pension Fund Committee, although it would also be shared with the Audit and Accounts Committee. Audit and Accounts would take the lead on reviewing the statement of accounts. There had been some changes to the guidance from CIPFA around what must, should and may be included in the report this year. The inclusion of a value for money summary was now a requirement, but had not been included. A summary report had also been added to make the document more user-friendly.

Individual members raised the following points:

- highlighted the length of the report, although noting that there was limited discretion about what was included. The addition of a new summary report was welcomed.
- expressed surprise at the reference in the Chair's foreword to the funding level of the scheme as a whole. The figure quoted related to the last actuarial valuation in March 2022 and whilst it was acknowledged that this figure had improved since that valuation the most recent valuation was not included. Scheme members must have confidence that their pension was fully funded, and the member felt that the inclusion of the current estimates would have provided that assurance. This would not be an issue next year as the new actuarial valuation would be available, but the same issue would recur during subsequent years between valuations and they encouraged further thought around how this should be presented in the intervening period. They judged that it was essential that consideration was given now about how the new actuarial variation would be explained when it was received and what it would mean in practice.

The Chair stated that they had been reluctant to include a figure which suggested a significant overfunding given the limited reliability of that figure, which would have required lengthy explanation. They acknowledged that a more detailed explanation would have been required if the Fund had been in a negative position. The Head of Pensions stated that the previous actuarial valuation was a reliable figure, whereas any figures generated between actuarial valuations would have limitations. Work was being undertaken to look at other ways of framing the position in relation to fund assets and more information on the updated position on the funding level would be included in the statement of accounts.

- commented that they would have liked to see more around the decarbonisation trajectory to give a sense of the level of confidence around this, and would like to see this included in

next year's annual report. Officers undertook to explore this, but noted that the content of the report must comply with the CIPFA guidance. **Action required**

It was resolved unanimously to approve the Annual Report 2023/24.

226. Agenda Plan

The agenda plan was noted.

227. Exclusion of Press and Public

A Member questioned why some of the reports for discussion in exempt session were fully exempt. The Chair asked officers to think carefully about what information needed to be considered in exempt session ahead of the next meeting.

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

The meeting was adjourned from 11.45 - 11.51am.

228. Minutes – 18 July 2024 (Confidential)

The confidential minutes of the meeting on 18 July 2024 were approved as an accurate record and signed by the Chair.

229. Stewardship Report

The Sub-Committee reviewed the Stewardship Report.

It was resolved unanimously to:

- a) note recommendation a)
- b) approve recommendation b), as amended.

230. ACCESS Update

The Committee reviewed the ACCESS update report and received a verbal update on the ACCESS Joint Committee meeting on 9 September 2024.

It was resolved unanimously to:

- a) note the report.
- b) approve recommendation b).
- c) note recommendation c).

[Chair]

CAMBRIDGESHIRE PENSION FUND

Pension Fund Committee Action log from previous meetings

Agenda Item No. 2 – Appendix 1

This log captures the actions from the Pension Fund Committee of the 2 October 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 9 December 2024.

Item No.	Item	Action to be taken by	Issue	Action/Status
216	Minutes – 18 July 2024 (public) and Minutes Action Log	Ben Barlow	A member asked for the report produced by Mercer for the ISC Committee to be shared with the Committee members.	In Progress. The latest Analytics for Climate Transition (ACT) report was due to be presented to the November ISC meeting, but that meeting was adjourned due to being inquorate. The ACT report is now due to be presented at the February 2025 ISC and will be shared thereafter.
216	Minutes – 18 July 2024 (public) and Minutes Action Log	Ben Barlow	Officers to explore data available regarding community wealth building in the context of procurement and investments.	In Progress. Officers are actively gathering data on the investment activities of funds within the local areas of Cambridgeshire.
218	Administration Performance Report	Michelle Oakensen	Officers to include information regarding the number of self-service users that run estimates online.	Completed. Reporting in this area is currently unavailable. If Heywoods develop a solution for providing this information in the future we will pick this action up again and look to include in future reports.
223.	General Code of Practice Compliance	Michelle Oakensen	To explore if other pension training providers are available on the market.	In progress. Officers will research if other providers are available as part of the upcoming Training Strategy review scheduled for March 2025.
225	Annual Report 2023/24	Ben Barlow/Fiona Coates	To provide the Committee with information on the decarbonisation trajectory.	In Progress. The decarbonisation pathway is set to be shared with the committee members following the approval of the Analytics for Climate Transition report by the February 2025 ISC.

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Madalina Bratec
Governance Specialist, Pensions
madalina.bratec@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 August to 30 September 2024.

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

Enquiries to: Madalina Bratec
Governance Specialist, Pensions
madalina.bratec@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 covers 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.
- 2.2 The administration performance for the period 1 August to 30 September 2024 is detailed in section 3.
- 2.3 The achievement against the Key Performance Indicators for the period 1 August to 30 September 2024 are detailed in section 3 and appendix 1. The majority of KPIs were met over the period.
- 2.4 The progress of supplementary key performance indicators is detailed in section 4 and appendix 2.
- 2.5 Timeliness of receipt of employee and employer pension contributions for the payroll periods of October 2023 to September 2024 are detailed in section 5 and appendix 3. Over 99.7% of employer contributions were received on time in respect of the period October 2023 to September 2024. Details of contribution payments received late are detailed in Exempt Appendix 4.
- 2.6 Occurrences of breaches of the law for the period 1 August to 30 September 2024 detailed in section 6. There were no material breaches in the period.
- 2.7 Details of any Internal Dispute Resolution Procedure cases for the period 1 August to 30 September 2024 are detailed in section 7. For the period 1 August to 30 September there was one new stage 1 disputes and no stage 2 disputes.
- 2.8 Occurrences of material data breaches for the period 1 August to 30 September 2024 are detailed in section 8. There were no data breaches that occurred during the period.
- 2.9 Details of any significant overpayment of pension for the period 1 August to 30 September 2024 are detailed in section 9. There were no significant overpayments for the period.

3. Key Performance Indicators – Pensions Service

- 3.1 The Fund 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 August to 30 September 2024 can be found in appendix 1 along with the explanations for any underperformance.
- 3.2 Over the 2-month period, 4 of the 14 KPI targets have not been met.
- 3.3 There were two amber KPIs for the period, one regarding notifying leavers of deferred benefit entitlement (September) and one in relation to the payment of pension benefits from deferred membership status (September). Both amber KPIs were within a few % of the SLA target.
- 3.4 During the period there were two 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. At the time of drafting, this backlog was expected to be cleared by the end of November. To limit the potential impact caused by the delays in this area, estimates are prioritised for members approaching retirement age. The member self-service website also provides members with the ability to run estimates based on the preferred retirement date.

3.5 The Pensions Service is expecting a higher than normal volume of employer estimate requests over the coming months due to redundancy exercises at local authority employers within each Fund.

3.6 The wording in appendices A and B has been changed from 'target' to 'minimum service level' based on a comment on the new administration strategy.

4. Development of the Customer Journey Key Performance Indicators

4.1 Once the reporting has been developed further, the intention is to analyse any lower than desired performance and target communications and interventions appropriately. Provide basic scheme information to new joiners and inform members who leave the scheme before retirement age of their rights and options are the first areas to be analysed.

4.2 The customer journey KPIs can be found in appendix 2.

5. Receipt of Employee and Employer Contributions

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

5.2 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 October 2023 to September 2024.

5.3 For August 2024, 99.3% of contribution payments were received on time and 100% of contributions were received on time for September 2024. The current yearly average for payments made on time is 99.7% and schedules being received on time is 98.9%.

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

6. Breaches of the Law

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

6.2 For the period 1 August to 30 September 2024, the following breaches occurred:

Type of Breach	Detail of Breach	Course of action
Material Breaches	None	None
Non Material Breaches	2 refund of contribution payments were paid outside of the statutory 5-year period.	No further action at this stage, it is likely that the legislation surrounding this will be amended to remove the 5-year requirement.
	Missed statutory targets against Key Performance Indicators.	Issues will be addressed within the Service and with employers as appropriate. Further details can be

6.3 In October 2024 we reported that 0.03% of the active annual benefit statements had not been issued on time. Following a review of these cases it has transpired that no annual benefit statements were required to be issued and therefore the Fund issued 100% of the statements on time.

7. Internal Dispute Resolution Procedure

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

7.2 Disputes that are upheld at stage 1 may still progress to stage two if the scheme member or their representative remain unsatisfied with the overall outcome. The outcome may not fully meet the complainant's expectations – particularly if their perception is that their financial loss was greater than any compensation awarded, or the level of non-financial injustice award was not consistent with their expectation.

7.3 The following details that activity undertaken during the period 1 August to 30 September 2024 with regards to administering authority disputes.

7.3.1 Stage 1 disputes:

Nature of Stage 1 Dispute (Head of Pensions)	Date Received	Date Decision Due	Decision: Upheld/not upheld/partially upheld	Date of Decision
Failure to implement a divorce Pension Sharing Order within prescribed time limits; failure to keep both parties informed of progress	25/06/2024	24/09/2024 (extended from 24/8/2024)	Partially Upheld	24/09/2024
Maladministration relating to the way member's AVCs were "left behind" following historic transfer.	10/07/2024	09/09/2024	Partially upheld	05/09/2024
Complaint of maladministration relating to delays in providing flexible retirement estimates to member's employer, and the quality of information that was provided.	08/10/2024	07/12/2024		In progress

7.3.2 Stage 2 disputes: None.

7.3.3 Employer disputes: None.

8. Material Data Breaches

8.1 No material data breaches occurred during the period.

9. Significant overpayment of pension

9.1 No significant overpayments were made during the period.

10. Relevant Pension Fund Objectives

Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. <i>Objective 1</i>
Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. <i>Objective 2</i>
Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. <i>Objective 3</i>
Continually monitor and measure clearly articulated objectives through business planning <i>Objective 4</i>
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. <i>Objective 5</i>
Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. <i>Objective 8</i>
Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. <i>Objective 10</i>

11. Risk Management

11.1 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.

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

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

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

12. Communication Implications

Direct communications	The Fund publishes performance against the key performance indicators in the regular reports to the
-----------------------	---

	<p>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.</p>
--	--

13. Finance & Resources Implications

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

14. Legal Implications

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

15. Consultation with Key Advisers

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

16. Alternative Options Considered

16.1 Not applicable

17. Background Papers

17.1 Not applicable

18. Appendices

18.1 Appendix 1	Key Performance Indicators – Pensions Service
18.2 Appendix 2	Development of Key Performance Indicators during 2024/2025
18.3 Appendix 3	Receipt of Employee and Employer Contributions
18.4 Exempt Appendix 4	Details of late contribution payments

19. Accessibility

19.1 An accessible version of the information contained in this report is available on request from the report author.

Pension Service Key Performance Indicators for August and September 2024

Function/Task	Indicator	Minimum Service Level	Month	Total cases completed	Cases completed within the minimum Service Level	Cases completed under the minimum Service Level	% completed within the minimum Service Level	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%	August September	199 184	182 162	17 22	91 88	Green Amber	SLA target met SLA target not 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%	August September	34 67	34 65	0 2	100 97	Green Green	SLA target met SLA target met
Payment of pension benefits from deferred membership status	Notify members retiring from deferred membership status of benefits award, from date payable or date of receiving all necessary information if later within 10 working days.	90%	August September	92 87	90 75	2 12	98 86	Green Amber	SLA target met SLA target not met
Award dependant benefits	Issue award within 5 working days of receiving all necessary information.	95%	August September	15 19	15 18	0 1	100 95	Green Green	SLA target met SLA target met

Pension Service Key Performance Indicators for August and September 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%	August	39	23	16	59	Red	SLA target not met
			September	38	14	24	37	Red	SLA target not met
Provide transfer-in quote to scheme member	Letter issued within 10 working days of receipt of all appropriate information.	95%	August	23	23	0	100	Green	SLA target met
			September	19	19	0	0	Green	SLA target met
Payment of transfer out	Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment.	90%	August	15	15	0	100	Green	SLA target met
			September	58	58	0	0	Green	SLA target met

- 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.

Customer Journey Key Performance Indicators (statutory) for the Period 1 August to 30 September 2024

Function/Task	Indicator	Month	Completed	Within minimum service level	Under minimum service level	% Within minimum service level	Comments
Provide basic scheme information to new joiners.	2 months from date of joining or member's request.	August September	335 376	318 323	17 53	95 86	<p>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</p> <p>The reason why the cases would not be completed within the statutory target is:</p> <ul style="list-style-type: none"> • 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. <p>Successful performance was underreported for the period 1 January 2024 to 31 July 2024. *</p>
Provide transfer details for transfer in.	2 months from date of request.	August September	24 19	15 14	9 5	63 74	<p>Reasons why the cases would not be completed within the statutory target are¹:</p> <ul style="list-style-type: none"> • Interfund in - Further information is required from the previous LGPS pension fund & volume of cases in this area.

¹ 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.

*The improved percentages are as follows: January 2024 62% (previously 46%); February 2024 99% (previously 86%); March 86% (previously 60%); April 2024 78% (previously 63%), May 2024 99% (previously 90%), June 2024 92% (previously 75%), July 2024 95% (previously 80%)

Customer Journey Key Performance Indicators (statutory) for the Period 1 August to 30 September 2024

Function/Task	Indicator	Month	Completed	Within minimum service level	Under minimum service level	% Within minimum service level	Comments
							<ul style="list-style-type: none"> 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.	August September	51 58	31 29	20 29	61 50	<p>Reasons why the cases would not be completed within the statutory target are²:</p> <ul style="list-style-type: none"> 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.
Provide a CETV quotation for divorce purposes.	Within 3 months of the request (or shorter deadline as specified in a court order).	August September	24 16	17 10	7 6	71 63	The reason for the delays in processing these cases is the clearance of the backlog of cases at the calculation and checking stage.
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.	August September	276 687	254 623	22 64	92 90	<p>The Pension Service is 100% within target for meeting the SLA of 2 months of the member leaving service.</p> <p>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.</p>

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.

Customer Journey Key Performance Indicators (statutory) for the Period 1 August to 30 September 2024

Function/Task	Indicator	Month	Completed	Within minimum service level	Under minimum service level	% Within minimum service level	Comments
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.	August September	20 43	12 38	8 5	60 88	<p>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.</p> <p>In August, within the 40% outside of target, 88% of the failures were due to employer delays.</p> <p>In September, within the 12% outside of target, 60% of failures were due to employer delays.</p> <p>Analysis will be undertaken, and any persistent trends addressed accordingly. Any information received which does not allow the Pension Service 10 working days to process in line with SLA targets is classified as an employer failure.</p>
Inform members who leave the	Within 1 month of retirement date	August September	9 19	3 14	6 5	33 74	Multiple factors contribute to the member experience for this indicator, this includes

Customer Journey Key Performance Indicators (statutory) for the Period 1 August to 30 September 2024

Function/Task	Indicator	Month	Completed	Within minimum service level	Under minimum service level	% Within minimum service level	Comments
scheme at or after retirement age of the benefits due.	where the member retires on or after normal pension age .						<p>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.</p> <p>In August, within the 67% outside of target, 83% of failures were due to employer delays.</p> <p>In September, within the 24% outside of target, 100% of failures were due to employer delays.</p> <p>Analysis will be undertaken, and any persistent trends addressed accordingly. Any information received which does not allow the Pension Service 10 working days to process in line with SLA targets is classified as an employer failure.</p>
Calculate and notify dependant(s) of amount of death benefits.	As soon as possible, but in any event no more than 2 months of date or becoming aware of death.						<p>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.</p> <p>It is anticipated that the reporting for this KPI will commence in the 1st quarter of the 25/26 financial year.</p>

Customer Journey Key Performance Indicators (statutory) for the Period 1 August to 30 September 2024

Function/Task	Indicator	Month	Completed	Within minimum service level	Under minimum service level	% Within minimum service level	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.						<p>Where there is no outstanding information, the Service has a period of 4 months to implement the order from the later of:</p> <ul style="list-style-type: none"> • 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” <p>A letter must be sent within 21 “days” of the later of the above two dates notifying the relevant parties of the implementation deadline.</p>

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
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
July 2024	99.8	0.2	98	2
August 2024	99.3	0.7	99.6	0.4
September 2024	100	0	100	0
Average for period	99.7	0.3	98.9	1.1

To: Pension Fund Committee

Meeting date: 19 December 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) McCloud (section 3.1-3.8)
- 2) Pension Dashboards (section 3.9-.3.21)
- 3) Scheme Advisory Board (section 3.22-3.23)
- 4) The Pensions Regulator (section 3.24-6.25)
- 5) The Pensions Ombudsman (section 3.26-3.28)
- 6) LGPS England and Wales (section 3.29 – 3.31)
- 7) Skills and knowledge opportunities (section 3.32-3.35)

The report also provides details of immaterial amendments made to policies or strategies as a result of Officer reviews (section 4).

Recommendations: The Pension Fund Committee is 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.

- McCloud (section 3)
- Pension Dashboards (section 4)
- Scheme Advisory Board (section 5)
- The Pensions Regulator (section 6)
- The Pensions Ombudsman (section 7)
- Skills and knowledge opportunities (section 9)

2.2 The report also provides details of immaterial amendments made to policies or strategies as a result of Officer reviews (section 10).

3. McCloud

Annual benefit statements and McCloud

3.1 The Ministry of Housing, Communities and Local Government (MHCLG) laid the Local Government Pension Scheme (LGPS) (Information) Regulations 2024 on 28 August 2024. The regulations came into force on 23 September 2024, with backdated effect to 1 October 2023.

3.2 The regulations removed the requirement to include estimated underpin information in the 2023/24 statements. However, there is a discretion to provide the information for certain members or classes of members if able to do so. The changes apply to annual benefit statements (ABS) for active, deferred, deferred pensioner and pension credit members.

3.3 The regulations also provide a discretion not to include estimated underpin information in the 2024/25 statements for a particular member or class of members. Authorities using this discretion will need to decide before 31 August 2025 and tell affected members. MHCLG is still considering whether to issue guidance on the circumstances in which it may be appropriate to use this discretion.

3.4 TPR has confirmed there will be no requirement to report a breach of law for not including estimated underpin information in the 2023/24 statements. However, it encourages authorities to report breaches where they are having problems complying with ABS requirements and administration in general. It is keen to get an accurate picture of the challenges public service pension schemes are facing.

McCloud update – teachers with excess service

3.5 The Teachers' Pension Scheme (TPS) sent an updated timeline for excess service cases to their administering authority contacts earlier this month. TPS has contacted employers in groups based on region. The updated timeline confirms when initial communications and reminders were/will be sent to employers in each region. The TPS

update also included an email communication sent to employers about common errors in the files that have been returned so far.

McCloud public service pensions history forms

- 3.6 LGA have published forms for administering authorities to use as part of the McCloud project. The McCloud public service pensions history form is for collecting information about previous pensions for members who are not protected by the remedy based on their LGPS membership in a particular fund.
- 3.7 Administering authorities are taking different approaches to this part of the project. The new document includes two forms and accompanying member notes which can be adopted for each approach:
1. Ask members to return the form only if they have relevant previous pension membership. The member notes that accompany this form provide greater detail about what membership is relevant for this purpose. Administering authorities who take this approach will need to decide whether a further check is needed when a member who did not complete a form is approaching retirement, dies or requests a transfer out.
 2. Ask all members to return the form. Administering authorities who take this approach will receive completed forms that do not affect a member's protection status – members who are already protected, or members who first joined a public service scheme after 31 March 2012, for example. However, administering authorities who take this approach may not have to perform any further checks when a member who has completed a form is approaching retirement, dies or requests a transfer out.
- 3.8 Administering authorities will need to make local changes to the form:
- to fit in with their processes
 - to suit the member groups they are making the form available to
 - depending on how they make the form available.

Pension Dashboards

Dashboards connection guide and AVCs and Dashboards guide published

- 3.9 Both the Pension Dashboard connection guide and the Additional Voluntary Contributions (AVCs) and Dashboards administrator guide have been published. The Pensions Dashboards connection guide is updated to include the regulatory and guidance changes made since November 2023 when the draft version was published, such as the change in 'connection deadline' and the introduction of a 'connect by' date.
- 3.10 The guide aims to help administering authorities identify the steps needed to connect to the pensions dashboards ecosystem. It does not duplicate information available elsewhere. It provides a synopsis of each topic with hyperlinks to where the detailed information can be found online. Authorities will need to create a project plan to implement dashboards, and this guide helps them do that. It sets out the necessary actions and decisions, with recommendations on timings based on the 'connect by' date of 31 October 2025. These are detailed throughout the guide and summarised in the 'Preparing to connect checklist' in appendix one.
- 3.11 The AVCs and Dashboards administrator guide is a new guide and has been created with help from the National LGPS Technical AVC sub-group. Its aim is to establish common approaches on the preparation and provision of AVC view data to the pensions dashboards ecosystem.

- 3.12 Administering authorities will need to be able to accommodate a variety of approaches from different AVC providers. One size will not fit all. Even though a variety of approaches will be adopted in sending view data to the ecosystem, authorities should be able to achieve consistency within each form of approach. The guide helps do that and expands on the AVC actions set out in the Pensions Dashboards connection guide.

TPR Dashboards compliance and enforcement policy

- 3.13 On 5 September 2024, The Pensions Regulator (TPR) published:
- Pensions dashboards compliance and enforcement policy
 - response to the consultation on the policy
 - updated breach of law guidance.
- 3.14 The policy outlines TPR's approach to ensuring occupational pension schemes comply with their dashboard legal duties. It sets out:
- the principles that will drive TPR's approach
 - key risk areas TPR will focus on
 - what TPR expects schemes to do to comply
 - how TPR will monitor compliance
 - TPR's approach to non-compliance.
- 3.15 The policy also includes scenarios of non-compliance and how TPR may respond to each one. In particular, the updated breach of law guidance contains an example of how TPR will approach non-alignment of illustration dates between main scheme benefits and additional voluntary contributions (AVCs). LGA will update their Pensions Dashboards Connection Guide and AVCs and Pensions Dashboards Administrator Guide to refer to these latest publications in due course. TPR published a blog on pensions dashboards compliance on the same day to accompany the policy release.

Compliance during the user testing period

- 3.16 TPR expects schemes to connect to the dashboards ecosystem in line with the timeline set out in DWP's guidance on connection: the stage timetable. The timeline has been designed to reduce delivery risk to industry, but it will also ensure that the system can be thoroughly tested to ensure the successful launch of dashboards.
- 3.17 Once schemes and pension providers are connected to the ecosystem the following requirements will apply:
- to remain connected
 - to receive 'Find' requests
 - to undertake matching, and
 - to return 'View' data
- 3.18 TPR expects schemes and providers to take prompt and effective actions to investigate and correct any issues identified during the user testing stage.

Dashboards hot topics

- 3.19 TPR has produced a 'hot topics' article focusing on some of the issues it is hearing about through its engagement with the industry. This includes:
- connecting in line with the dates in the DWP guidance
 - how dashboard duties apply to a change of administrator
 - TPR's approach to compliance and enforcement.

Draft technical standards – version 1.1

- 3.20 The Pensions Dashboards Programme (PDP) published version 1.1 of the draft technical standards on 4 September 2024. All PDP standards are published as 'draft' until approved by the Secretary of State for Work and Pensions. The standards outline a common set of connectivity mechanisms and interfacing rules for pension providers and schemes, and dashboard providers. They determine how these parties will interact with and communicate with the central digital architecture and each other.

PDP confirms identity service provider

- 3.21 PDP has confirmed that users of pensions dashboards will verify their identity with GOV.UK One Login. This will make it easier for those who have previously registered with One Login for other Government services. The identity service for dashboards will ensure that people must prove who they are before they can access confidential pensions information.

Scheme Advisory Board (SAB)

'Levelling Up' reporting in the annual report guidance

- 3.22 The Board's Annual Report guidance issued in March 2024 included a request for funds to report certain information about investments that support the 'Levelling Up missions'. This was in expectation of a statutory requirement to produce 'Levelling Up' plans which the previous Government was planning to legislate for. The Board has received queries about whether this reporting is still needed considering that it is understood that 'Levelling Up' isn't a term that the new Government uses.
- 3.23 The Board understands that MHCLG is likely to want funds to report in future years on investments that support local growth in the UK. Therefore, funds are encouraged to still comply with the reporting ask in the guidance, while noting that this section was always a 'may' rather than a 'must' and there was also an acknowledgement in the guidance that this was the first time this request had been made, so 'best endeavours' and proportionate efforts only were anticipated.

The Pensions Regulator (TPR)

TPR scheme return

- 3.24 The Pensions Regulator (TPR) sent out scheme return notices to managers of public service pension schemes in October 2024. The scheme return needed completing within six weeks of receiving the notification. Completing the scheme return is a legal requirement, failure to complete and submit the return by the deadline, you result in a fine.
- 3.25 This year's return included new questions about AVCs provider(s) and the number of members who hold an AVC with them.

The Pensions Ombudsman (TPO)

Corporate Plan 2024/25

- 3.26 TPO published its corporate plan for 2024/25 on 31 July 2024, which outlines its key priorities and areas of work for the year. TPO's priorities are to:
- make changes to its processes to reduce waiting times
 - deliver a reduction in the number of older, complex cases from its historical caseload
 - improve signposting and pre-application journey, with more self-service information, so that the 'right' complaints come to TPO
 - secure long-term funding of the Pensions Dishonesty Unit, to ensure it can continue its valuable work
 - expand and build TPO's specialist pensions expertise
 - review current systems to ensure TPO has a clear view of requirements to deliver further efficiencies and meet the projected increase in demand.

Blog on expedited decision-making

- 3.27 The Pensions Ombudsman (TPO), Dominic Harris, published a blog on expedited decision-making on 25 September 2024. The blog provides an update on TPO's operating model review.
- 3.28 As part of the review, TPO will extend the use of short-form decisions and determinations ('expedited decision-making') to resolve complaints at earlier stages. The blog includes more information on expedited decision-making and updates on pilots run over the summer. It also confirms that TPO fully rolled out expedited decision-making in September 2024. As TPO will not publish expedited determinations, it is exploring ways to share any industry-wide learnings, such as through case studies or broader insight products.

LGPS England and Wales

Pension Review

- 3.29 In July 2024 the government launched a landmark Pensions Review of workplace defined contribution pensions schemes (DC) and the Local Government Pension Scheme in England and Wales (LGPS).
- 3.30 The review aims to boost investment, increase pension pots and tackle waste in the pensions system, focusing on defined contribution workplace schemes and the LGPS. The first phase of the review is looking at measures to accelerate asset pooling and increasing investment in 'productive finance' in the UK by LGPS funds.
- 3.31 The "LGPS: Fit for the future" consultation was launched on 14 November 2024, which sets out the proposals for asset pooling, local investment and governance. The consultation can be found [here](#), the proposals and consultation response will be discussed further in the ACCESS agenda item. The consultation closes on 16 January 2025.

Skills and knowledge opportunities

- 3.32 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.

- 3.33 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.
- 3.34 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.
- 3.35 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 completed 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.

4. Cambridgeshire Pension Fund Policy/Strategy updates

- 4.1 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.
- 4.2 For the period the following policies/strategies were reviewed:

Policy/Strategy	Review reason	Amendments made/ comments
Anti-Fraud and Corruption Policy	Annual officer review due	Completed. Being presented at this meeting.
Administration Strategy	Committee review due	Completed The Committee previously approved the amended draft strategy for consultation with employers. No material changes have been triggered by the consultation but an additional appendix has been added to the strategy providing an escalation process for employers to use when the administering authority is not meeting expected performance levels. The process includes 4 stages: Stage 1: Escalation to the relevant team leader Stage 2: Escalation to the Operations manager Stage 3: Escalation to Employer services manager Stage 4: Escalation to Head of Pensions
Cyber Strategy	Committee review due	Completed. Being presented at this meeting (exempt).
Cessations Policy	Annual officer review due	The policy has been reviewed in partnership with the Fund actuary and some required changes have been identified. An amended policy will be presented to the Committee once it has been updated.
Admission Bodies Scheme Employers and Bulk Transfer	Committee review due	Completed. Being presented at this meeting.

Policy.		
Cash Management Strategy	Annual officer review due	Completed. The following changes are due to be applied: 1) The latest treasury guidance has been included. 2) The risk regarding a dependency on treasury has been removed as this reliance has been removed.

4.3 The below table provides an update of upcoming reviews:

Policy/Strategy	Review reason	Comments/amendments made
Risk Strategy	Annual officer review due	A comprehensive review is currently being undertaken in conjunction with the Fund's governance advisors. An update on proposed revisions will be provided at the March 25 Committee meeting and April 25 Board meeting.
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. In addition, the COP has highlighted the need to have a mechanism in place to provide assurance on the competence of Committee and Board members to carry out their roles and to identify any gaps. An update on proposed revisions will be provided at the January 25 Board meeting and March 25 Committee meeting.
Contribution rates policy	Annual officer review due	Due to be reviewed by Officers in early 2025 and will be confirmed via the Governance and Compliance Report thereafter.
Communication Strategy	Committee review due	Due to be presented to the Committee in March 2025.
EEDI Policy	New policy	Due to be presented to the Committee in June 2025. Delayed due to conflicting priorities.

5. Relevant Pension Fund objectives

- 5.1 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.
- 5.2 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.
- 5.3 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.

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

6. Implications (including financial implications)

6.1 Resources and financial

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

6.2 Legal

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

6.3 Risk management

6.3.1 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.

6.3.2 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.

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

6.3.4 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

6.4 Consultation

- 6.4.1 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.

7. Background papers

- 7.1 None.

8. Appendices

- 8.1 Appendix 1 - Cambridgeshire Pension Fund Training Plan

Training plan 2024

Date	Training	Method of delivery	Delivered by	Target audience	Additional Information
DECEMBER	Annual Conference 2024	TBC	Local Authority Pension Fund Forum (LAPFF)	Committee, Board & Officer	4-6 December 2024 (Bournemouth) LAPFF Annual Conference 2024 - LAPFF
DECEMBER	Local Authority Forum	Face-to-face	Pensions and Lifetime Savings Association (PLSA)	Committee, Board & Officer	3 December 2024 Local Authority Forum
JANUARY	Governance Conference	Conference – hybrid	Local Government Association (LGA)	Committee, Board & Officer	30-31 January 2025 (online/Bournemouth) Local Government Association
MARCH	LGC Investment Seminar	Conference	Local Government Chronicle (LGC)	Committee, Board & Officers	26-28 March 2025 (Carden Park, Nr Chester)
JULY	LAPFF Mid-Year Conference	Conference – face to face	Local Authority Pension Fund Forum	Officers	TBC



Administered in partnership

To: Pension Fund Committee

Meeting date: 19 December 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:

- a) 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 two 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).	Green
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.	Amber
4.25 – 4.27	Review the National LGPS Framework for Additional Voluntary Contribution Services (AVC).	Amber
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 four ambers. The reasons for the ambers are outlined below:

- 1) The EDI Fund Policy has been delayed due to conflicting priorities within the Service and will therefore be presented to the Committee in March 2025.
- 2) The Pension Dashboard project necessitates the need to have arrangements in place with AVC providers for providing information via the ecosystem. The AVC procurement activity will now therefore feature in the 2025/26 Business Plan with appropriate timescales developed if the need for a change in provider/additional provider is established. This activity should therefore revert to Green at the next meeting.
- 3) 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.
- 4) 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 contract for address tracing and mortality screening ceased in June 2024 and a temporary contract is in place until 31 March 2025.

The delay in launching the National LGPS Framework has meant that there was inadequate time to comprehensively review options before the initial contract expired.

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	Completed.
Conduct procurement exercise under the LGPS National Frameworks (contract to be in place by 1 April 2025)	October 2024 – March 2025.	On target.

4.3 Update: Due to the value of the contract, the procurement team have advised that the best approach would be to issue an award directly via the Framework. Officers are currently assessing the suppliers to establish which would be most suitable supplier based on service needs.

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.	January 2025.
Implementation of software	January 2025 to March 2025.	Implementation of the ISP is to be scheduled for early 2025.

- 4.6 Update: The revised variation agreement has now been signed and sealed and came into force on 1 October 2024 alongside the main pensions administration and payroll software contract. Please refer to the activity detailed in 4.16 to prepare for the implementation of Pension Dashboards.

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.	Completed
Implement ISC decision to extend Mercer contract to 30 September 2026..	September 2024.	Completed
Research and bring to ISC recommendations regarding preferred IC model for procurement.	October 2024 to June 2025.	On target

- 4.9 Update: The Committee received information on various fund investment advice models during a meeting held on 6 September 2024. In September, the ISC approved a decision to extend the Mercer contract for an additional 24 months, with the new end date being 28

September 2026. Officers are currently conducting research into potential models and approaches for procuring investment consultancy services for the Fund.

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: Compliance against the Pension Regulator's expectations 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 compliance of the Fund against the Code (62 TPR expectation requirements). Best practice compliance will be presented to the Committee by the end of the financial year (26 best 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 to connect to the Pension Dashboard infrastructure: Governance, Internal controls, Connection, Record keeping, Budget, Resource, Data.

4.17 Key milestones:

Key Milestones.	Dates.	On target for completion?
Update the Committee and Board regularly on the Pensions Dashboards Programme (PDP) and Fund progress through Governance and Compliance reports and separate Dashboard progress updates.	2024-25 to 2026-27	Ongoing.
Undertake project plan activities to enable connection to the Dashboard, including data cleansing activities. Progress reported through separate updates.	2024-25 to 2026-27	On target.
Test connection to Dashboard ecosystem.	January 2025	Scheduled and on target.
Live connection to Dashboard ecosystem by 31 October 2025 connection deadline.	April 2025 to October 2025	On target
Dashboards Available Point (DAP) when Dashboards available to public.	TBC (6 months advance notice will be given).	

4.18 Update: The Fund 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. Testing of the ISP console and matching data will be undertaken from January

2025. 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 at Exempt Appendix 2 reflects the cyber actions being undertaken during 2024/25.

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	Not 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 definition and Fund Policy has been delayed due to conflicting priorities within the Service, some of which were statutory obligations that could not be rescheduled. The Policy was due to be presented for consideration at this meeting but will now be presented in March 2025.

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.	April- June 2025 (reprofiled from March 2025)	On target for reprofiled dates
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 is to undertake the soft market testing in the first quarter of 2025/26, with the AVC Framework review to follow.

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?
Records updated with any missing intra-fund unaggregated service.	August 2024 to October 2024	Completed.
Scheme members contacted regarding any missing public sector pension scheme (PSPS) unaggregated membership.	November to December 2024.	Completed.
Other PSPSs, including LGPS funds, contacted regarding any missing unaggregated service.	December 2024 to March 2025.	On target.
Cases requiring remediation, based on known PSPS service, identified.	December 2024.	On target.
Recalculation and award of benefits requiring remediation (except Club transfer cases).	January 2025 to August 2025.	On target.
Remediation of Club transfer cases.	TBC	
Identification and remediation of further cases as further PSPS unaggregated service disclosed.	April 2025 to March 2026.	On target.
Preparation for McCloud compliant annual benefit statements.	January 2025 to June 2025.	On target.
Processing of teachers' excess service cases.	April 2025 to March 2026 (provisional)	On target.

- 4.30 Update: The statutory guidance from MHCLG was released in June 2024 and technical guidance and communication templates have continued to be received up until November 2024. Project milestones have been updated to reflect a revised remediation plan, including uncertainty over the ability to process Club transfer cases due to required system developments. Further cases requiring remediation are likely to be identified over time as scheme members inform the Fund of previous Public Sector Pension Scheme (PSPS) unaggregated service. The Fund awaits guidance regarding the processing of teachers' excess service cases.

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 October 2024, the total number of records within the backlog stood at approximately 6,900 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. Whilst 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.

Heywood have recently issued an end-of-life notice for MSS of 31 January 2026. A decision has now been made to commence implementation of Engage in June 2025 with a view to going live in September 2025.

4.35 Key milestones:

Key Milestones	Dates	On target for completion?
Complete contract activities with Heywood	November to December 2024	On target
Complete fact finding documentation to inform Project Initiation Documentation (PID) and Implementation Study	May to June 2025	On target
Installation of Engage and user acceptance testing	July 2025	On target
Sign off user acceptance testing	August 2025	On target
Engage to made available to scheme members	September 2025	On target

4.36 Update: The key milestones have been updated to show the actions required to facilitate a migrations from MSS to Engage by September 2025. Further detailed milestones will be added upon receipt of the PID and Implementation Study.

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 Update: The latest Analytics for Climate Transition (ACT) report, which outlines decarbonisation targets for both the corporate bonds portfolio and the combined listed equity and bonds portfolio, was originally scheduled for presentation at the November ISC meeting. However, due to the meeting being adjourned for lack of quorum, the ACT report is now scheduled to be presented at the ISC meeting in February 2025.

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, we've uploaded the content to the website and have now entered the testing stage ready for a soft launch by the end of the calendar year and a wider launch in the new 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
Agree approach to be taken for stabilisation of contribution rates for large scheduled bodies	December 2025	On target
Agree the financial assumptions to be used for the valuation	March 2025	On target
Valuation of the Pension Fund	April 2025 to March 2026	On target

4.48 Update: Initial modelling of contribution options for large scheduled bodies has now been completed and a recommendation will be made at this meeting, for approval by the Committee, regarding the approach to be taken to setting these contribution rates. A more detailed update will be provided within the valuation update report.

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: The modelling of different notional investment buckets has now been completed and the results have been discussed with officers. Officers are now considering the results and options before making a recommendation to the Committee at its March meeting. An update will be provided at this meeting as part of the update on the valuation of the Pension Fund.

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 Board at every 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 \(cmis.uk.com\)](http://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 CONFIDENTIAL Appendix 2 – Cyber activity action plan

9.3 Appendix 3 – Cambridgeshire Pension Fund Climate Action Plan

10. Accessibility

10.1 An accessible version of the information contained in this report and appendices is available on request from the report author.

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	153,200	(1,800)	£5m exit credits were paid to the exited scheme employer up to Q2, which was not included in 24/25 budget.
Transfers in from other pension funds ²	18,000	14,500	(3,500)	Demand led
TOTAL INCOME	173,000	167,700	(5,300)	
Benefits payable ³	(149,000)	(152,000)	(3,000)	Benefits in line with current membership numbers
Payments to and on account of leavers ²	(13,000)	(13,900)	(900)	Demand led
TOTAL PAYMENTS	(162,000)	(165,900)	(3,900)	
Net additions/(withdrawals) from dealings with members	11,000	1,800	(9,200)	
Management expenses (Invoiced)	(5,903)	(5,934)	(31)	See below
Management expenses (Non-invoiced) ⁴	(21,300)	(21,100)	200	Calculated using fees from prior year plus actuarial growth assumption on AUM at September 24 to March 25
TOTAL MANAGEMENT EXPENSES	(27,203)	(27,034)	169	
TOTAL INCOME LESS EXPENDITURE	(16,203)	(25,234)	(9,031)	
Investment income ⁵	48,000	79,800	31,800	Actual income received to Q2 plus two estimated quarters. Large income distributions from BlueBay in August 24 contributed to the variance between Budget and Forecast
Taxes on income	-	(64)	(64)	Actual taxes on income to September 24

Profit and (losses) on disposal of investments and changes in the market value of investments ⁶	219,000	190,800	(28,200)	Actual Q2 return followed by actuarial long term growth assumption
NET RETURN ON INVESTMENTS	267,000	270,536	3,536	
Net increase/(decrease) in net assets available for benefits during the year	250,797	245,302	(5,495)	

Management Expenses

	2024/25 Estimate	2024/25 Forecast	Variance	Comments
	£000	£000	£000	
Total administration expenses	(3,546)	(3,437)	109	See Below
Total governance expenses	(1,072)	(1,106)	(34)	Legal costs to October 24 are higher than expected
Total investment expenses	(1,285)	(1,391)	(106)	Transition fee for new acquisition, which was not included in 24/25 budget
TOTAL MANAGEMENT EXPENSES	(5,903)	(5,934)	(31)	

Administration Expenses

	2024/25 Estimate	2024/25 Forecast	Variance	Comments
	£000	£000	£000	
Staff related	(2,458)	(2,461)	(3)	
Altair administration and payroll system	(413)	(424)	(11)	
Data Assurance	(22)	(20)	2	
Communications	(87)	(75)	12	Heywoods Pensions Dashboard fees lower than expected
Other non pay and income	15	124	109	Interest received higher than expected due to higher cash balances held at NatWest to pay for exit credits
County Council overhead recovery	(581)	(581)	-	
TOTAL ADMINISTRATION EXPENSES	(3,546)	(3,437)	109	

¹Contributions 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: <ul style="list-style-type: none">• 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	✓

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the report:

1. To report the admission of two employers to the Cambridgeshire Pension Fund including one admission body and one resolution body.
2. To notify the Committee of the cessation of four admission agreements.
3. To update on previously reported cessations.

Recommendations:

That the Pension Fund Committee:

- a) notes the admission of the following transferee admission body to the Cambridgeshire Pension Fund and approves the sealing of the admission agreement:
 - Stir Food Limited
- b) notes the entry of the following resolution body to the Cambridgeshire Pension Fund:
 - Wilburton Parish Council
- c) notes the cessation of admission agreements in relation to the following employers:
 - Aspens-Services Limited
 - Mountain Healthcare Limited
 - Rapid Commercial Cleaning Services Limited
 - Wisbech and Fenland Museum
- d) notes the update on the previously reported cessation of Clarion Housing Group and Wimblington Parish Council.

Enquiries to: Cory Blöse
Employer Services Manager
Cory.Blöse@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 one transferee admission body and to approve the sealing of the admission agreement.
- 2.2 This admission is a “pass-through” admission, 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 this employer as they have agreed to follow the Regulations of the LGPS by signing the admission agreement and therefore the regulations require the administering authority to admit them to the Fund.
- 2.4 One employer has entered the Fund as a resolution body. Entry to the Fund for resolution bodies is automatically permitted by the regulations, if a resolution is passed designating a member or groups of members as being eligible, and the Fund has no ability to deny participation.
 - 2.4.1 Full details of the admissions are included in Appendix A.
- 2.5 The Committee is also asked to note the cessation of four admission agreements. Two of the admissions ended due to the contract ending, one was due to the last active member leaving and one was due to alternative pension provisions being offered to staff, following a consultation.
- 2.6 Three of the ceasing admission agreements were pass-through agreements, so no funding assessment is needed.
 - 2.6.1 Full details of the cessations are included in Appendix B.
- 2.7 A funding surplus has been identified in relation to one 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 employer.
- 2.8 The Committee is also asked to note the update on two cessation cases previously reported where the funding assessment identified a surplus resulting in the need for an exit credit determination.
 - 2.8.1 Full details of exit credit determination outcomes are included in Appendix C.

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. The Pension Committee is asked to note the admission of one employer and to approve the sealing of the admission agreement.

3.1.3 The Pension Committee is asked to note the admission of one admission body and to approve the sealing of the admission agreement.

3.2 **New Resolution Body**

3.2.1 The Regulations allow that a body listed in Schedule 2 can designate an employee, or a class of employees as being eligible to be members of the Local Government Pension Scheme by passing a resolution.

3.2.2 If such a body passes a resolution to designate employees as eligible for membership of the Local Government Pension Scheme, the Pensions Committee cannot refuse their participation in the Fund.

3.2.3 Paragraph 2(a) of Part 2 of Schedule 2 of the Regulations provides for a precepting authority to be a resolution body.

3.2.4 The Committee is asked to note that the following employer has joined as a resolution body by means of being a precepting authority within the meaning of paragraph 2(a) of Part 2 of Schedule 2 to the Regulations and passing a resolution.

- Wilburton Parish Council

3.3 **Cessations**

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

- Aspens Serviced Limited
- Mountain Healthcare Limited
- Rapid Commercial Cleaning Services Limited
- Wisbech and Fenland Museum

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

3.4 **Update on previously reported cessations**

3.4.1 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.

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

- Clarion Housing Group
- Wimblington Parish Council

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.

5.1.4 Following an exit credit determination, there may be an amount due to the exiting employer. As a result of two recently completed exit credit determinations, the total value paid out is £1,017,700. The detail can be found in Appendix C.

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 A – New admissions

7.2 Appendix B - New cessations

7.3 Appendix C - Update on previously reported cessations

Appendix A - New admissions

- **Stir Food Limited (Great and Little Shelford CofE Primary School)**

Stir Food Limited entered a contract with Great and Little Shelford CofE Primary Schools (both Cambridgeshire County Council LEA Schools) to provide catering services at Great and Little Shelford CofE Primary Schools. As a result, two employees transferred to the admission body and a backdated, pass-through admission agreement has been put in place effective 20 August 2024. The assets and liabilities have been retained by Cambridgeshire County Council.

- **Wilburton Parish Council**

On 1 August 2023, Wilburton Parish Council passed a resolution, designating their clerk as eligible for the LGPS going forwards.

Appendix B - New cessations

- **Aspens Services Limited (Astrea Academy Trust)**

Aspens Services Limited were admitted to the Fund under a pass-through agreement on 1 August 2018 after entering a contract to provide catering services to Cottenham Village College Academy.

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 Astrea Academy Trust.

- **Mountain Healthcare Limited (Cambridgeshire Chief Constable)**

Mountain Healthcare Limited were admitted to the Fund under a pass-through agreement on 1 April 2018 after entering a contract to provide healthcare services to Cambridgeshire Chief Constable.

On 31 July 2024, the admission agreement ceased when the last active member left employment. Mountain Healthcare 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 Cambridgeshire Chief Constable.

- **Rapid Commercial Cleaning Services Limited (Granta School)**

Rapid Commercial Cleaning Services Limited were admitted to the Fund under a pass-through agreement on 1 September 2022 after entering a contract to provide cleaning services to Granta School (a Cambridgeshire Local Education Authority School).

On 31 August 2024, the admission agreement ceased when the contract ended. Rapid Commercial Cleaning 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 Cambridgeshire County Council.

- **Wisbech and Fenland Museum**

Wisbech and Fenland Museum became an employer in the Cambridgeshire Pension Fund as a community admission body following local government reorganisation in 1974 having previously participated in the Cambridgeshire and Isle of Ely Superannuation Fund.

On 31 July 2024, Wisbech and Fenland Museum closed the scheme to new accrual following a consultation with staff. The cessation assessment identified a funding surplus of £34,000. 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.

Appendix C - Update on previously reported cessations

- **Clarion Housing Group**

The cessation of Clarion Housing Group Services Limited was originally reported at the June 2024 meeting of the Pension Fund Committee.

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 Clarion Housing Group is £1,012,000. The exiting employer has been informed of the decision and its right to appeal the decision. Payment was made on 20 September 2024.

- **Wimblington Parish Council**

The cessation of Wimblington Parish Council was originally reported at the June 2024 meeting of the Pension Fund Committee.

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 Wimblington Parish Council is £5,700. The exiting employer has been informed of the decision and its right to appeal the decision. Payment was made on 20 September 2024.

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Michelle Oakensen
Governance and Regulations Manager
michelle.oakensen@westnorthants.gov.uk

Subject: General Code of Practice – Compliance with the expectations of the Pensions Regulator (TPR).

Purpose of the report: To present to the Pension Fund Committee a report on the compliance of the Cambridgeshire Pension Fund against the General Code of Practice (TPR expectations).

Recommendations: The Pension Committee is asked to note the TPR expectation 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 TPR'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 largely compliant with the 62 TPR expectation requirements of the Code, with five partially met areas identified and one area not met from the 14 modules. Detail of the Fund's compliance is located in 3.2 and the action plan to achieve full compliance in the areas identified is located in 3.3.

3. Issues and choices

Cambridgeshire Pension Fund Code of Practice Compliance Review (TPR expectations)

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 look to add value and enhance current arrangements.

3.2 Below is a summary of compliance against the 62 TPR expectation requirements within the 14 modules that apply to the LGPS. A chart demonstrating the aggregation position can also be located in appendix 1.

The Governing Body		
Board Structure and activities	1 TPR expectation	Fully met the compliance standard.
Governance of knowledge and understanding	6 TPR expectations	5 requirements fully met the compliance standards. 1 requirement was partially compliant with one action to be undertaken as detailed in section 6.4 below.
Advisors and Service Providers	No TPR expectation	N/A
Risk Management	13 TPR expectations	12 requirements fully met the compliance standards. 1 requirement was partially compliant with one action to be undertaken as detailed in section 6.4 below.

Scheme Governance	1 TPR expectation	Fully met the compliance standard.
Funding and Investment		
Investment	No TPR expectation	N/A
Administration		
Scheme Administration	2 TPR expectations	Fully met the compliance standard.
Information handling	12 TPR expectations	11 requirements fully meet the compliance standards. 1 area was not compliant with one action to be undertaken as detailed in section 6.4 below.
IT & Cyber Security	1 TPR expectation	Fully met the compliance standard.
Contributions	8 TPR expectations	7 requirements fully met the compliance standards. 1 requirement was partially compliant with one action to be undertaken as detailed in section 6.4 below.
Communications and Disclosure		
Information to members	6 TPR expectations	4 requirements fully met the compliance standards. 2 requirements were partially compliant with one action to be undertaken as detailed in section 6.4 below.
Public Information	6 TPR expectations	All fully met the compliance standards.
Reporting to TPR		
Regular reports	No TPR expectations	N/A
Reporting Breaches	6 TPR expectations	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 six TPR expectation requirements that failed to meet full compliance in risk management and information to members as detailed below:

Module	TPR expectation requirement	Action	Due/completion date
Governance of knowledge and understanding (knowledge & understanding page 25, para 1 of the Code).	The governing body should regularly carry out an audit of its members' skills and experience to identify gaps and imbalances.	To consider whether knowledge assessments/confidence assessments should be undertaken to further enhance evidence surrounding knowledge and understanding.	In line with the Training Strategy review due to be presented to the Committee in March 2025.

Module	TPR expectation requirement	Action	Due/completion date
Risk Management	The governing body should make sure that their internal controls are documented (internal controls page 48, para 7 of the Code).	A training officer has recently been appointed and part of the role will be to document all processes for consistency and compliance purposes. Starting with the ones that fall outside of workflow i.e. IDRPs processes.	During 2025.
Information handling	Where the governing body believe they will not meet the legislative deadlines, they should make an application to TPR before the deadline (transfers out- page 103 para 7e of the Code).	A process will need introducing to identify cases where a transfer out payment will not be made by the statutory deadline. It must be noted that these are only expected in exceptional circumstances as protocol would be to either pay within the guarantee period or cancel the request.	31 March 2025.
Contributions	Governing bodies should maintain a record of their investigation and the communications between themselves and the employer (resolving overdue contributions page 127, para 5 of the Code).	To create an escalation log specifically for late/missed contributions payments. The Funding team will add an additional column to their day to day log if a case has been escalated. All communications will be stored within employer files within teams.	31 March 2025.
Information to members	Scheme managers should follow the principles set out in the section entitled ""General Principles for Member Communications"" when drafting benefit information statements (benefit information statements page 137, para 3 of the Code).	To ensure that the information included in benefit statements is also contained within the Communication Strategy.	Will be considered as part of the Communication Strategy review due to be presented to the Committee in March 2025.

Module	TPR expectation requirement	Action	Due/completion date
	The term "reasonable period" in the phrase above should be construed as 3 months from leaving. Governing bodies should advise members where it is likely to take more than 3 months to provide the information (notification of right to cash transfer sum or contribution refund page 142, para 3 of the Code).	Most members will be provided with information within 3 months. For cases where this may not be possible a process will be developed to ensure the member is updated before the deadline is missed.	31 May 2025.

Independent review

- 3.5 The Hymans Robertson General Code of Practice compliance checker tool was used to assess compliance against the TPR expectations 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. In line with the regulatory compliance a review of the internal dispute resolution procedure would further support the public information module for TPR expectations also.

Next steps

- 3.6 The final stage of the review is to look at the 26 best practice requirements. A report will be brought back to the Committee in March 2025. The final report will also contain a consolidated list of actions for monitoring and oversight purposes.
- 3.7 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 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective. Failure to assess requirements against the Code could result in statutory obligations being missed.

5.3 Consultation with Key Advisers

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

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
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
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

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

[Cambridgeshire Risk Register](#)

5.5 Consultation

5.5.1 Not applicable.

6. Background papers

6.1 None.

7. Appendices

7.1 Appendix 1 - Aggregate position for each TPR expectation module

7.2 Appendix 2 - Scorecard summary of TPR expectations.

8. Accessibility

8.1 The information contained in this report an appendices is available In an accessible format on request from the report author.

Appendix 1 – Aggregate position for each TPR expectation module



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	
TPR Expectations	Current rating
Members of governing bodies to display the characteristics shown in Appendix 1.	Fully met
The Governing Body: Knowledge & Understanding	
TPR Expectations	Current rating
All governing bodies should maintain a list (in an accessible format) of items the members of the governing body should be familiar with.	Fully met
The governing body should regularly carry out an audit of its members' skills and experience to identify gaps and imbalances.	Partially met
Pension board members should have a working knowledge of the topics in Appendix 4.	Fully met
The pension board meet the requirements in Appendix 5.	Fully met
Members of the pension board should be aware that their responsibilities and duties begin from the date they take up their post.	Fully met
Governing bodies should provide the necessary training and support to it's members.	Fully met
The Governing Body: Risk Management	
TPR Expectations	Current rating
The governing body should identify risks, record them, and regularly review and evaluate them (see Appendix 11 for guidance on identifying, evaluating and recording risk)	Fully met
The governing body should design internal controls which ensure that the scheme is administered and managed in accordance with the requirements of the law and the scheme rules. The scheme's internal controls should also: - Include a clear separation of duties for those performing them, and processes for escalation and decision-making - Require the exercise of judgement, where appropriate, in assessing the risk profile of the scheme and in designing appropriate controls.	Fully met
The governing body should make sure that their internal controls are documented.	Partially met
Reviews should also be carried out when: - Substantial changes to the scheme take place. These include changes to pension scheme personnel, service providers, scheme advisors, or administration and other IT systems; - A control is not working to the standard required by the law.	Fully met
When designing internal controls governing bodies should consider TPR expectations (see Appendix 12 for more detail)	Fully met
To maintain internal controls governing bodies should consider TPR expectations (see Appendix 13 for more detail)	Fully met
The governing body may consider using assurance reports to assess whether the scheme or a service provider meets the relevant legislative requirements on internal controls.	Fully met
If selecting a suitable internal auditor, the governing body should consider: - The candidate's independence - Any actual or potential conflicts of interest (see Conflicts of interest) - The candidate's knowledge of the subject	Fully met
The governing body should read and understand assurance reports provided by service providers to establish if the controls used by the organisations that they outsource various functions to are adequate. This will also include assurance reports produced by the scheme's investment manager and custodian.	Fully met

Appendix 2 – Scorecard Assessment

They should consider the scope of such reports and the degree to which these are applicable. For example, whether the reports cover the specific team or office providing services to the scheme.	
When identifying and evaluating risks, governing bodies should consider conflicts of interest.	Fully met
Where management of conflicts of interest form part of the scheme manager's internal controls the following expectation apply; - Members of governing bodies should understand when potential and actual conflicts arise legal and professional requirements and legislation that apply to English local authorities should apply - The requirements in Appendix 15 are met.	Fully met
Governing bodies should have processes in place to ensure that their decision-making is not compromised by actual or potential conflicts	Fully met
Governing bodies should consider seeking independent legal advice, to help decide whether an actual or potential conflict of interest can be eliminated (and if so, the best way of achieving it)	Fully met
The Governing Body: Scheme Governance	
TPR Expectations	Current rating
The scheme manager needs to have a system of governance and internal controls that; - Provide the governing body with oversight of the day-to-day operations of the scheme - Include any delegated activities for which the governing body remains accountable - Provide the governing body with assurances that their scheme is operating correctly and in accordance with the law	Fully met
Administration: Scheme Administration	
TPR Expectations	Current rating
With regard to planning and preparation governing bodies should comply with the requirements in Appendix 21 .	Fully met
To maintain proper administration, governing bodies should comply with the requirements set out in Appendix 22 .	Fully met
Administration: Information Handling	
TPR Expectations	Current rating
The management of financial transactions should be proportionate to the nature, complexity, and activity of the scheme. Governing bodies should comply with the requirements of Appendix 24 .	Fully met
Governing bodies should ensure that they have the necessary administrative procedures to deal with transfer requests, without undue delay and in line with scheme rules and the law.	Fully met
Governing bodies should also maintain accurate and complete records of all requests received and the transfers that have been made.	Fully met
Where the governing body suspect the receiving scheme is an illegitimate arrangement, they should report it to Action Fraud.	Fully met
Where the governing body believe they will not meet the legislative deadlines, they should make an application to TPR before the deadline.	Not completed
When checking written confirmation governing bodies should follow advised steps around record keeping and responding to suspected fraudulent activity (See Appendix 25 for full details)	Fully met
Governing bodies should meet the record keeping requirements set out in Appendix 26	Fully met
When maintaining administrative systems governing bodies should comply with the measures laid out in Appendix 28.	Fully met
Governing bodies should ensure that appropriate processes are in place:	Fully met

Appendix 2 – Scorecard Assessment

- To enable participating employers to provide timely and accurate data	
- To reconcile employer data and scheme data	
- For situations where an employer fails to meet their legal duties to the scheme	
Governing bodies should retain records for as long as they are needed	Fully met
Governing bodies should have appropriate processes in place for monitoring scheme data (see Appendix 29 for full details)	Fully met
Governing bodies should have appropriate processes in place for reviewing scheme data (see Appendix 30 for full details)	Fully met
Governing bodies should have appropriate processes in place for protecting scheme data (see Appendix 31 for full details)	Fully met
Administration: IT & Cyber	
TPR Expectations	Current rating
Governing bodies should take steps to make sure their service providers can prove they meet our expectations for maintaining IT systems as listed in Appendix 32	Fully met
Administration: Contributions	
TPR Expectations	Current rating
Governing bodies should develop a record to monitor contribution payments to the scheme (a contributions monitoring record).	Fully met
Governing bodies should have processes in place to check contributions due to the scheme and to reconcile them with what is actually paid to identify payment failures.	Fully met
Governing bodies should develop and maintain records for monitoring contribution payments to the scheme. This should include: contribution rates, date contributions are due, interest on late payments. (see Appendix 35 for full details)	Fully met
Governing bodies must also keep records of any employer contributions due to the scheme that have been written off.	Fully met
When a payment failure is identified, the governing body should contact the employer quickly to resolve the overdue payment.	Fully met
The governing body should obtain overdue payments and rectify administrative errors. (see Appendix 36 for more detail)	Fully met
Governing bodies should maintain a record of their investigation and the communications between themselves and the employer.	Partially met
The governing body should review current processes to detect situations where fraud may be more likely to occur and where additional checks may be needed.	Fully met
Communications and Disclosure: Information to Members	
TPR Expectations	Current rating
The governing body should follow the principles set out in the section entitled "General Principles for Member Communications". TPR expectations are listed in Appendix 37	Fully met
Scheme managers should follow the principles set out in the section entitled "General Principles for Member Communications" when drafting benefit information statements. (see Appendix 38 for more detail)	Partially met
The term "reasonable period" in the phrase above should be construed as 3 months from leaving. Governing bodies should advise members where it is likely to take more than 3 months to provide the information.	Fully met

Appendix 2 – Scorecard Assessment

The governing body should give members 3 months to confirm if they wish to transfer their cash transfer sum and can extend this deadline at their discretion. If the member does not respond, the governing body may arrange to pay a contribution refund after a further month.	Fully met
Where a member elects for a cash transfer sum the governing body should pay it within 3 months but can extend in exceptional circumstances.	Fully met
As part of their internal controls, governing bodies should ensure that they take the steps set out in Appendix 39 .	Fully met
Communications and Disclosure: Public Information	
TPR Expectations	Current rating
Scheme managers should consider requests for additional information to be published, to encourage scheme member engagement and promote	Fully met
Scheme managers should: <ul style="list-style-type: none"> - Have policies and processes to monitor all published data on an ongoing basis to ensure it is accurate and complete - Ensure any out-of-date or incorrect information identified is updated as soon as possible and in any event, within one month 	Fully met
There are further considerations the governing body should make in relation to the dispute resolution process. (see Appendix 40 for further details).	Fully met
In relation to reasonable time periods governing bodies should: <ul style="list-style-type: none"> - Decide the matter in dispute within four months of receiving the application - In the case of a two-stage dispute resolution procedure, reach a first stage decision within four months of receiving the application - In the case of a two-stage dispute resolution procedure, reach a second stage decision within four months of the point when the governing body receives the referral - Notify applicants of the decision no later than 21 days from when it is made - Not delay a decision where it is possible to process an application sooner than four months - Allow more than four months to reach a decision if it is appropriate to do so <p>For public sector schemes, where the governing regulations provide for shorter periods to consider grievances than set out above, those regulations will apply</p>	Partially met
When reviewing an application, decision-makers should: <ul style="list-style-type: none"> - Ensure they have all the appropriate information to make an informed decision - Request further information if required - Be satisfied that the time and action to reach a decision and notify the applicant are appropriate to the situation, and be able to demonstrate this 	Fully met
Reporting to TPR: Reporting Breaches	
TPR Expectations	Current rating
Governing bodies should be satisfied that those responsible for reporting breaches are aware of the legal requirements and this code. Training should be provided for the Governing body and any in-house administrators (see Appendix 41 for more details)	Fully met
Those responsible for reporting breaches, including the governing body, should establish and operate procedures to ensure they are able to meet their legal duties (see Appendix 42 for list of procedures governing bodies could have in place)	Fully met
Breach report should contain the information listed in Appendix 43 .	Fully met

Appendix 2 – Scorecard Assessment

<p>There are other requirements placed on those running pension schemes to report to other bodies. Where the duty to report to another body coincides with the duty to report to TPR, the report to us should include details of the other bodies the matter has been reported to.</p>	<p>Fully met</p>
<p>If a scheme or an individual is at risk, for example where there has been dishonesty, the reporter should not take any actions that may alert those implicated that a report has been made. Similarly, reporters should not delay their report to TPR, to check whether any proposed solutions will be effective.</p>	<p>Fully met</p>
<p>Reports of late contribution payments should be made to us within 14 days of the trustees having reasonable cause to believe that a material payment failure exists. Members should be notified within 30 days of the report to TPR. When reporting to members, governing bodies should provide payment information that will enable them to understand what has been paid to the scheme and by whom.</p>	<p>Fully met</p>

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Joanne Kent
Systems and Projects Manager

Subject: Pensions Dashboards Update

Purpose of the report: This report provides an update on the progress made by the Fund in connecting to the Pension Dashboard infrastructure in time for the deadline of 31 October 2025.

Recommendations: The Pension Fund Committee is asked to note the contents of the report.

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 There are a number of activities that Fund will need to undertake to connect to the pension dashboards infrastructure by 31 October 2025 and to make data available to users by 31 October 2026.
- 1.3 These activities and timelines are detailed in section six of this report.

2. Executive summary

- 2.1 The Fund is required to connect to the Pension Dashboards 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 Northamptonshire 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.
- 2.5 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. The Fund is working with the AVC providers to ensure this happens smoothly with different methodology for each AVC provider.
- 2.6 Guidance and additional information is continually being issued by the organisations involved in this initiative. The Fund will continue to revise its project plans and documentation to ensure compliance with all requirements.
- 2.7 The costs associated with connecting to the Pensions Dashboard infrastructure are detailed in section 5.1. There have been no changes to these costs since last presented to the Committee in October 2024.

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 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 was procured via a variation agreement to the re-tendered contract that commenced on 1 October 2024.
- 3.3 Connection of the pensions administration software to the ISP will begin in January 2025, followed by a period of testing of the matching data. The final part of the implementation of connecting the ISP to the Pensions Dashboards infrastructure will take place prior to the connection date of 31 October 2025.

Data – matching and quality

- 3.4 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."

- 3.5 The identity of the dashboard user will be independently verified by an identity service before it reaches the scheme. The Pensions Dashboard Programme (PDP) has recently confirmed that GOV.UK One Login will provide this function. GOV.UK One Login ensures users only have to prove their identity once and can use this proof to access other government services they use.
- 3.6 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).
- 3.7 The Fund will begin a period of testing of matching criteria in January 2025 to determine which data is most appropriate to use based on the scheme's data quality and availability, from which will form the matching policy. The matching policy will be presented to the Pensions Committee in March 2025 for approval.

Additional Voluntary Contributions

- 3.8 The Northamptonshire Pension Fund has two AVC suppliers, Prudential and Utmost Life and has a duty to make this data visible on the Pensions Dashboards.
- 3.9 Both Prudential and Utmost Life have confirmed that they will be adopting the 'single source' approach to providing members' AVC data to the dashboard. The AVC providers will send the data to the Fund once per year to be entered onto the Fund's administration system so that the AVC value data is displayed alongside the member's LGPS benefits.
- 3.10 Heywood, the Fund's administration system provider are developing a data view to store an individual member's AVC fund data on their existing pension record as it currently does not exist due to their being no prior need to store this information. This development will be at an additional cost, which once known, will be added to the costs detailed in section 5.1 of this report.
- 3.11 The provision of AVC view data to the dashboards is a significant workstream of the connection process. Both the Local Government Association (LGA) and Pensions Administration Standards Association (PASA) have issued detailed guidance to assist schemes in this area and this has been incorporated into the project plan and governance process where appropriate.
- 3.12 Data quality improvement work is being undertaken on the records of scheme members with AVCs to ensure that data from both providers can be accurately matched to members main schemes record held by the Fund.
- 3.13 This will ensure AVC data can be matched to the correct member and their record so that the annual supply of data can be uploaded to the member's record with ease.

Next steps

- 3.14 The project plan and RAID log is continually reviewed and updated to reflect updated or changing guidance from organisations such as the PDP, PASA, LGA, and the ISP and administration software provider.
- 3.15 In addition to the data improvement work for members with AVCs, the backlog of unprocessed leaver calculations continue to be completed as well as address tracing of members for whom the Fund no longer holds a current address. This will ensure increased quantities of members matching to their benefits and full details of their pension benefits

being returned instantly when using the Pension Dashboards. These activities have been detailed in the Fund's Data Improvement Plan.

- 3.16 At the next meeting, the Pension Committee will be provided with a further update on the progress made relevant updates to the overall initiative, including the Data Improvement Plan.

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 are currently as below:

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.

5.1.3 As referenced in paragraph 3.10, the Heywood development cost of creating the AVC data view on member records will be included once known.

5.1.4 All costs will be met by the Pension Fund and the Committee will be advised of any changes. There have been no changes since last reported to the Committee in October 2024.

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. 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 is approved.

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

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Michelle Oakensen
Governance and Regulations Manager
michelle.oakensen@westnorthants.gov.uk

Subject: Cambridgeshire Pension Fund Committee effectiveness review.

Purpose of the report: To present the outcomes of the Pension Fund Committee effectiveness review.

Recommendations: The Pension Fund Committee is asked to:

- a) note the feedback provided for the Cambridgeshire Pension Committee.
- b) approve the proposed course of actions to improve the effectiveness of the Committee in the areas identified (3.10).

Reasons for Recommendation:

- To ensure adequate oversight of the effectiveness of the Cambridgeshire Committee.
- To ensure that Committee members have the opportunity to provide feedback on their respective meetings/roles for good governance purposes.
- To ensure that any actions that arise as a result of the review are actioned in a transparent and timely manner.

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

1. Background

1.1 The need for the Cambridgeshire Pension Fund to review the effectiveness of the Pension Fund Committee is considered good governance and ensures that there is an avenue for any concerns to be raised and addressed in a formal manner.

1.2 Nationally, work is continuing in the governance space to further enhance the way that the Local Government Pension Scheme (LGPS) operates and provides greater transparency, with developments on:

- The Scheme Advisory Board Good Governance Review.
- The Pension Regulator's Code of Practice.
- CIPFA's Skills and Knowledge Framework

1.3 The results from the review will be used to better shape the governance approach of the Cambridgeshire Pension Fund.

2. Executive summary

2.1 The report contains the results of the effectiveness review undertaken by committee members during July 2024.

2.2 The review consisted of 52 questions in the following areas:

- Committee structure and culture
- Management of meetings
- Knowledge and training
- Risks and conflicts
- Advisors
- Documents and policies
- Equality, Diversity and Inclusion

2.3 The results demonstrate that the Committee overall is effective with the majority of questions receiving agree or strongly agree.

3. Issues and choices

Cambridgeshire Pension Fund Effectiveness Review

Scope of review

3.1 The effectiveness review survey was issued to 11 members of the Committee to seek their views on a range of subject matters related to the current governance arrangements of the Cambridgeshire Pension Fund.

3.2 As per the constitution there are 11 allocated places on the Committee made up as follows:

Committee members	
Representing	Number of Representatives
Cambridgeshire County Council (the administering authority)	6
All other local authorities including police and fire	2
All other employers	1
Active Scheme members	1
Deferred and Pensioner members	1
Total	11

3.3 The survey was issued on 8 July 2024 with a deadline for responses by 26 July 2024, 7 members completed the survey.

Key findings and recommendations

3.4 Overall the assessment provides a picture of strong agreement with the individual statements within each section. Agreement levels overall across the 7 areas were positive, with 76% of all responses either agreeing or strongly agreeing to all statements, the highest scoring area was Risks and Conflicts at 83%.

3.5 The section on Equality, Diversity and Inclusion had lower levels of agreement in comparison to the other 6 sections of the survey, feeling appropriate due to the topic only being introduced recently.

3.6 One apparent theme was regarding the lack of direct communication or interaction between the Committee and Board.

3.7 The full survey results can be found in appendix 1.

3.8 It can be concluded that members were most content with the following statements (defined by the majority of ratings falling into the strongly agree category):

- The Chair conducts meetings in a professional manner and allows for adequate discussion on each agenda item.
- Meetings are chaired in an even-handed manner, with all opinions being heard and consensus being sought.
- I am aware of the need to disclose any conflict of interest that arises.
- I believe there is a clear understanding of the remit of the investment Pool and how this links with the business of the Fund.

3.9 The below table contains statements where any disagree rating were received with associated comments and actions (no strongly disagree ratings were received):

Area of improvement	Concern	Proposed course of action/comment
The Pension Committee and Pension Board work effectively as a team	There is no direct communication between the Board and Committee, appreciating that co-ordination takes place via officers.	Officers will seek ways to improve the interaction between Board and Committee members. This could include increased joint training, face to face training and dedicated workshops where viable. Members will continue to be invited to their counterparts meetings and as previously mentioned minutes will be shared between both parties.
A suitable structure exists to ensure any issues can be appropriately escalated*	Unaware of the structure for the escalation of issues, however queries raised are responded to.	An escalation structure will be developed and brought to the Committee for review at a future meeting.
I am confident that the Fund is managing risk appropriately	It would be preferential for the risk register to be presented at each meeting.	The Risk Register is currently being reviewed in consultation with the Fund's governance advisors. There will be an opportunity to comment on the proposals and

Area of improvement	Concern	Proposed course of action/comment
		going forwards at each meeting as part of the risk monitoring review as currently. The intention is for the register to be presented at each meeting following the review.
I understand the purpose of the Fund's Communications Policy	No comment provided.	1:1 training will be provided on this topic.
I am familiar with The Pensions Regulator's "Governing Bodies: EDI Guidance".*	Work in this area is in the early stages.	The action plan has been developed and knowledge in this area should increase as actions are undertaken.
The Committee and Board are committed to following the Pension Regulators Equality, Diversity and Inclusion guidance for the Fund (where possible).		
The Fund has an adequate Equality, Diversity and Inclusion action plan in place to help achieve requirements of the Pension Regulators EDI guidance		

*also received more than 1 neutral rating.

3.10 The following conclusions have been made from statements that received more than one neutral rating:

Area of improvement	Concern	Proposed course of action/comment
The current sizes of the Pension Committee and Board are both about right	No comment provided.	The current size of the Pension Committee and Board is in line with the Cambridgeshire County Council's Constitution. It has been designed to provide an appropriate level of representation for the administering authority, other scheme employers and scheme members

Area of improvement	Concern	Proposed course of action/comment
Sufficient time is given to reviewing the Fund's governance structure to ensure it remains appropriate	The review of the governance structure hasn't been witnessed.	Updates to the Governance Policy and Compliance Statement which details the governance arrangements of the Fund have been notified to the Committee via the Governance and Compliance Reports as appropriate. A link to the policy will be circulated.
The scheduling of Pension Committee and Pension Board meetings enables sufficient time for minutes to be shared between both in a timely manner	No comment provided.	Committee and Board minutes will be exchanged going forwards, providing a formal platform to review and discuss as appropriate.
Committee/Board meetings are well managed and productive	Some documents are very lengthy and can't be read to the standard required depending on other commitments. To consider deferring/re-prioritising if the Committee/Board felt the same.	Officers continually try to balance the information required to be delivered against the volume of information at each meeting to ensure a manageable agenda. This can be difficult to manage due to the current industry landscape and its complexities.
There is sufficient time dedicated to gaining the appropriate knowledge and understanding to enable me to perform my role	Generally agree with the statement although sometimes other commitments arise and training cannot always be attended.	Core mandatory training can be undertaken at a suitable time for members via the online platform. Additional subject matter training is usually delivered via teams with a link to the recording circulated. For any face to face training, slides will be circulated after the event. Some training will be delivered as part of meetings dependent upon timescales and topic areas. The Training Strategy is due to be reviewed early 2025 and will cover the above.
The Committee/Board receives appropriate briefings from officers and advisers on current topics and new developments	No comment was provided.	The Committee and Board receive regular updates through the Governance and Compliance report at every meeting along with specialist reports on key areas. The Investment Sub-Committee

		receives a quarterly update on current investment topics.
I have completed the Pension Regulator's online Toolkit	No comment was provided.	Details on the Pension Regulator's online Toolkit will be circulated.
The Committee/Board regularly sees the Fund's Risk Register	No comment was provided.	The Risk Register is currently being reviewed in consultation with the Fund's governance advisors. There will be an opportunity to comment on the proposals and going forwards at each meeting as part of the risk monitoring review process as currently. The intention is that following the review the Committee will see the register at each meeting.
The Committee/Board is given adequate opportunity to input into the development of and actions within the Fund's Risk Register		
Advisers make a useful contribution to the Committee/Board meetings and in supporting Fund officers.	Information is not always pitched at the right level.	Further feedback on this point would be welcome. Officers liaise with advisors ahead of presentations to ensure information provided is at the appropriate level. There is always an opportunity to seek clarification either in the meeting or via Officers after the meeting.
I understand the role of the Fund's actuary	No comment was provided.	1:1 training will be provided on this topic.
I understand the role of the Fund's investment advisors		
I understand the role of the Scheme Advisory Board		
I know where to find up to date copies of the Fund's key documents		
I am familiar with the principles of the Fund's training strategy		
I understand the purpose of the Fund's Administration Strategy		

A data improvement plan is in place, with progress against objectives reviewed regularly	No comment provided.	The 2024/25 Data Improvement Plan has been subsequently presented to the Pension Committee at its October meeting. The Pension Committee will be informed of the progress on the actions included in the plan biannually via an appendix in the Administration Report.
--	----------------------	--

Next steps

- 3.11 The proposed course of actions as a result of the self-review will be implemented during the remainder of 2024/25 into early 2025/26.
- 3.12 During 2025/26 the intention is for Hymans Robertson to undertake an independent review of the governance arrangements for the Cambridgeshire Pension Fund. By this time, the Code of Practice compliance would have been determined and the Good Governance Review requirements should have been released.

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 The Hymans Robertson effectiveness review platform was used and feedback provided.

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.

5.3 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

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

5.4 Consultation

5.4.1 Not applicable.

6. Background papers

6.1 None.

7. Appendices

7.1 Appendix 1 - Effectiveness review results of the Cambridgeshire Pension Committee

8. Accessibility

8.1 An accessible version of the information contained in this report and appendices is available on request from the report author.

Effectiveness Questionnaire responses

1 Committee structure and culture			Responses	
1.1	I understand my role and obligations under the LGPS Regulations and the Pension Committee's and Pension Board's own terms of reference		Strongly Agree	2
			Agree	5
		3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
1.2	The Committee and Board has sufficient time and resources available for the ongoing management of the Fund		Strongly Agree	0
			Agree	6
		3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
1.3	The current sizes of the Pension Committee and Board are both about right		Strongly Agree	0
			Agree	5
		3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
1.4	The distinction between the roles of Committee Members, Pension Board members and Officers is understood		Strongly Agree	0
			Agree	6
		3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
1.5	Sufficient time is given to reviewing the Funds governance structure to ensure it remains appropriate		Strongly Agree	0
			Agree	5
		3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0

			Responses	
			Strongly Agree	1
			Agree	2
1.6	The Pension Committee and Pension Board work effectively as a team		Neither Agree nor Disagree	3
			Disagree	1
			Strongly Disagree	0
			Strongly Agree	1
			Agree	4
1.7	I believe that members of the Pension Committee and Pension Board work effectively with Fund Officers		Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0

2 Management of Meetings			Responses	
			Strongly Agree	3
			Agree	3
2.1	The number of scheduled meetings is sufficient for the Committee/Board to conduct its business		Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	5
2.2	The Committee's/Board's agendas focus on the right topics to allow me to carry out my role		Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	3
			Agree	4
2.3	Meetings are run such that there is sufficient time to discuss all the issues properly		Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	2
2.4	The scheduling of Pension Committee and Pension Board meetings enables sufficient time for minutes to be shared between both in a timely manner		Neither Agree nor Disagree	4
			Disagree	0
			Strongly Disagree	0

			Strongly Agree	2
			Agree	3
2.5	Committee/Board meetings are well managed and productive	3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	0
			Agree	4
2.6	A suitable structure exists to ensure any issues can be appropriately escalated	3	Neither Agree nor Disagree	2
			Disagree	1
			Strongly Disagree	0
			Strongly Agree	4
			Agree	2
2.7	The Chair conducts meetings in a professional manner and allows for adequate discussion on each agenda item	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	4
			Agree	2
2.8	Meetings are chaired in an even-handed manner, with all opinions being heard and consensus being sought	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0

3 Knowledge and Training			Responses	
			Strongly Agree	1
			Agree	6
3.1	I have sufficient knowledge and understanding to enable me to properly discharge my duties as a Committee/Board member or Fund Officer	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	2
3.2	I am familiar with the principles of the Fund's training strategy	3	Neither Agree nor Disagree	3
			Disagree	0
			Strongly Disagree	0

			Strongly Agree	0
			Agree	5
3.3	There is sufficient time dedicated to gaining the appropriate knowledge and understanding to enable me to perform my role	3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	0
			Agree	5
3.4	The Committee/Board receives appropriate briefings from officers and advisers on current topics and new developments	3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	5
3.5	I am familiar with the objectives of the Fund	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	2
3.6	I have completed the Pension Regulator's online Toolkit	3	Neither Agree nor Disagree	4
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	4
3.7	The Committee/Board is kept up to date with any legal or regulatory changes impacting the scheme	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0

4 Risks and Conflicts			Responses	
			Strongly Agree	5
			Agree	2
4.1	I am aware of the need to disclose any conflict of interest that arises	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
				0

			Strongly Agree	3
			Agree	4
4.2	I have the opportunity to disclose conflicts of interest	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	4
4.3	The Committee/Board regularly sees the Fund's Risk Register	3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	2
4.4	The Committee/Board is given adequate opportunity to input into the development of and actions within the Fund's Risk Register	3	Neither Agree nor Disagree	4
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	4
4.5	The Committee/Board and Fund Officers are clear on where the ultimate ownership of the Risk Register lies	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	5
4.6	I understand the role of scheme employers in the Fund	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	3
4.7	I am confident that the Fund is managing risk appropriately	3	Neither Agree nor Disagree	2
			Disagree	1
			Strongly Disagree	0

			Strongly Agree	2
	4.8		Agree	4
		3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
	4.9		Agree	5
		3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	5
	4.10		Agree	2
		3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0

5 Advisors			Responses	
			Strongly Agree	0
	5.1		Agree	5
		3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
	5.2		Agree	4
		3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	0
	5.3		Agree	5
		3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0

			Strongly Agree	3
			Agree	4
5.4	I understand the role of the Fund Committee/Pension Board/Fund officers	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	0
			Agree	5
5.5	I understand the role of the Scheme Advisory Board	3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	6
5.6	Fiduciary duty is the primary concern of the Fund and any Responsible Investment and Environmental, Social and Governance factors are secondary	3	Neither Agree nor Disagree	0
			Disagree	0
			Strongly Disagree	0

6 Documents and Policies				Responses
			Strongly Agree	2
			Agree	1
6.1	I know where to find up to date copies of the Fund's key documents	3	Neither Agree nor Disagree	4
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	5
6.2	I understand the purpose of the Fund's Funding Strategy Statement	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	5
6.3	I understand the purpose of the Fund's Investment Strategy Statement	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0

			Strongly Agree	1
			Agree	3
6.4	I understand the purpose of the Fund's Communications Policy	3	Neither Agree nor Disagree	2
			Disagree	1
			Strongly Disagree	0
			Strongly Agree	1
			Agree	4
6.5	I understand the purpose of the Fund's Administration Strategy	3	Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	4
6.6	I am satisfied that the Fund undertakes regular reviews of its member data, in line with Pensions Regulator guidelines	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	3
6.7	A data improvement plan is in place, with progress against objectives reviewed regularly	3	Neither Agree nor Disagree	3
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	2
			Agree	4
6.8	The Committee/Board is informed of changes to the Fund's key documents, enabling them to be signed off with confidence	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0
			Strongly Agree	1
			Agree	5
6.9	I am aware of the Fund's business plan, including its goals and objectives	3	Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0

			Strongly Agree	2
	6.10		Agree	4
			Neither Agree nor Disagree	1
			Disagree	0
			Strongly Disagree	0

7 Equity, Diversity, and Inclusion				Responses
	7.1		Strongly Agree	1
			Agree	4
			Neither Agree nor Disagree	2
			Disagree	0
			Strongly Disagree	0
	7.2		Strongly Agree	1
			Agree	2
			Neither Agree nor Disagree	3
			Disagree	1
			Strongly Disagree	0
	7.3		Strongly Agree	0
			Agree	5
			Neither Agree nor Disagree	1
			Disagree	1
			Strongly Disagree	0
	7.4		Strongly Agree	0
			Agree	4
			Neither Agree nor Disagree	2
			Disagree	1
			Strongly Disagree	0

To:	Pension Fund Committee
Meeting date:	19 December 2024
Report by:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk
Subject:	Cambridgeshire Pension Fund – Anti-Fraud and Corruption Policy review.
Purpose of the report:	To present the Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy Review to the Committee.
Recommendations:	The Pension Fund Committee is asked to approve the changes to the Anti-Fraud and Corruption Policy.
Reasons for Recommendation:	<ul style="list-style-type: none">• To prevent losses of funds where fraud has occurred and to maximise the potential for recovery.• To minimise the occurrence of fraud by taking rapid action at the earliest opportunity.• To minimise the chance of destruction of evidence.• To maximise the chances of success in future sanction action, including criminal prosecution• To minimise adverse publicity.• To act as a deterrent for potentially fraudulent activity.
Enquiries to:	Michelle Oakensen Governance and Regulations Manager michelle.oakensen@westnorthants.gov.uk

1. Background

- 1.1 The administering authority is responsible for ensuring appropriate policies are in place for the safeguarding of the Fund's assets through appropriate methods of risk management. It is therefore appropriate for the Fund to have in place an Anti-Fraud and Corruption Policy.
- 1.2 The administering authority promotes a zero-tolerance approach towards fraud, corruption, and other malpractice for personal gain. Dishonesty, lack of integrity avoidance of controls and failure to comply with agreed policies will not be tolerated.
- 1.3 The prevention/detection of fraud/corruption and the protection of the public funds are everyone's responsibility and of paramount importance to the authority.

2. Executive summary

- 2.1 The Anti-Fraud and Corruption Policy was last approved by the Committee in March 2022 and subsequently reviewed by Officers in June 2023.
- 2.2 This review has identified five proposed changes to the detection and prevention of fraud within the Cambridgeshire Pension Fund.
- 2.3 Sections 3.2 – 3.5 include developments that are currently in progress that will further shape the policy upon the next review.

3. Proposed changes to the policy

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

	Section	Change	Detail of activity
10.	Annual proof of existence for overseas pensioner members.	To include the updated approach for conducting the proof of existence exercise.	This activity has been updated to reflect the two methods available for completing the proof of existence exercise. This process has also been widened to include all members over the age of 95.
10.	Evidence received suggests pensioner member is no longer at the address held on record.	To include an approach for members who have no fixed abode.	Where a member is unable to provide a current address, confirmation of a previous address and a form of identification will be required.
10.	Evidence received suggests any other type of scheme member is no longer at the address held on record.	To include an approach for members who have no fixed abode. To trace members where contact has been lost.	Where a member is unable to provide a current address, confirmation of a previous address and a form of identification will be required.

	Section	Change	Detail of activity
			Officers will use the Fund's mortality screening and address tracing provider to obtain either a new address or receive confirmation that the scheme member has passed away in line with the pensioner process.
10.	Change of address requests.	To include an approach when an address change is requested.	<p>When a request is received for updating an address, either a new address of the member or a C/O address, internal checks will be made to verify the request.</p> <p>Records with C/O addresses will be appropriately indicated with the legal recipient remaining the scheme member.</p> <p>The preferred method for any updates is via Member Self Service.</p>
10	Requests to act upon someone else's behalf.	To include an approach when a request is made to act on someone else's behalf.	<p>Lasting power of attorney, enduring powers of attorney and deputy court orders are the only documentation accepted when a request to act on someone else's behalf is received. The documents will be checked for validity where appropriate.</p>

Upcoming developments

- 3.2 The LGPS National Frameworks have released a Member Data Services Framework that includes overseas address tracing and mortality screening services. As overseas pensioners are a high-risk area, soft market testing of the range of services provided by the suppliers on the framework will be undertaken and if appropriate a procurement exercise will be added as a business plan activity.
- 3.3 To mitigate against the risk of making a pension payment from the monthly pensioner payroll to an incorrect individual the Fund is seeking to procure bank verification software which is also available on the Member Data Services Framework. It is understood that the administering authority is also in the process of procuring bank account verification software which will cover the payments the Fund makes in respect of retirement grants, death grants, refunds and transfers out.
- 3.4 Notice has been given from the Fund's pensions administration and payroll software, that the current member self-service module (MSS) will reach the end of life as of 31 January 2026, being replaced by an upgraded product, Heywood Engage. As part of the upgrade additional security options will be considered to further protect members where viable.

3.5 The Policy will be updated again once the following action have been undertaken.

Pension Fund Board review

3.6 The Pension Fund Board reviewed the policy on 1st November 2024 and requested the following updates:

- Section 9.4 has been updated to clarify the remit of the Committee and Board.
- Internal Audit Reviews (located in table 10.1) has been updated to add ‘and operating effectively’ in addition to ensuring ensuing that systems and procedures are in place.

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 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.

5.3 Consultation with Key Advisers

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

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
Risk of fraud and error	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green

5.4.2 The Fund’s executive summary risk register can be found on the Fund’s website at the following link:

[Cambridgeshire Risk Register](#)

5.5 Consultation

5.5.1 Not applicable.

6. Background papers

6.1 None.

7. Appendices

7.1 Appendix 1 – Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy

8. Accessibility

8.1 An accessible version of the information contained in this report and appendix is available on request from the report author.

Anti-Fraud and Corruption Policy 2024



Administered in partnership

Contents

1. Introduction	1
2. Policy Objectives	1
3. Purpose of the Policy	1
4. Effective date	2
5. Review.....	2
6. Scope	2
7. Culture.....	2
8. Responsible Officers	3
9. Deterrence	3
10. Detection and prevention of fraud by the Cambridgeshire Pension Fund.....	4
11. Investigation.....	11
12. Sanctions.....	11
13. Related Documents.....	11
14. Contact details	12



Administered in partnership

1. Introduction

- 1.1 This is the Anti-Fraud and Corruption Policy of Cambridgeshire Pension Fund managed by Cambridgeshire County Council (the Administering Authority).
- 1.2 This policy clearly demonstrates that the Cambridgeshire Pension Fund will take all necessary steps to prevent fraud and corruption. Every effort will be made to detect any such attempts and will robustly pursue those responsible and recover losses, referring matters to the Police where appropriate.
- 1.3 Fraud and corruption is defined as: -
- Fraud – ‘The intentional distortion of financial statements or other records by persons internal or external to the authority which is carried out to conceal the misappropriation of assets or otherwise for gain.’
 - Bribery and Corruption – ‘A bribe is a financial or other advantage that is offered or requested with the intention of inducing or rewarding the improper performance of a relevant function or activity, or with the knowledge or belief that the acceptance of such an advantage would constitute the improper performance of such a function or activity’.

2. Policy Objectives

- 2.1 The Fund’s objectives related to this policy are as follows:
- 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.
 - 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.
 - Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
 - Administers the Fund in a professional and efficient manner, utilising technological solutions and collaboration.

3. Purpose of the Policy

- 3.1 The purpose of the policy is to –
- Prevent losses of funds where fraud has occurred and to maximise the potential for recovery.
 - Minimise the occurrence of fraud by taking rapid action at the earliest opportunity.
 - Minimise the chance of destruction of evidence.
 - Maximise the chances of success in future sanction action, including criminal prosecution
 - Minimise adverse publicity.
 - Act as a deterrent for potentially fraudulent activity.

4. Effective date

4.1 The policy was first approved by the Pension Fund Committee on 19 October 2017.

5. Review

5.1 This policy will be reviewed by Fund Officers annually and by the Pension Fund Committee every three years, and if necessary, more frequently to ensure it remains accurate and relevant.

Date of review	Policy effective date:	Review type
14 January 2020	15 January 2020	Committee
24 March 2022	25 March 2022	Committee
8 June 2023	9 June 2023	Officer
xx	xx	Committee

6. Scope

6.1 This policy applies to –

- officers of the Fund.
- members of the Pension Fund Committee.
- members of the Pension Fund Board.
- employers of the Fund.
- relevant stakeholders to the Fund.
- professional organisations that provide services to the Fund (e.g., Custodian, fund managers); and
- professional advisors.

7. Culture

7.1 The administering authority promotes a zero-tolerance approach towards fraud, corruption and other malpractice for personal gain. Dishonesty, lack of integrity avoidance of controls and failure to comply with agreed policies will not be tolerated.

7.2 The prevention/detection of fraud/corruption and the protection of the public funds are everyone’s responsibility and of paramount importance to the authority.

7.3 Concerns must be raised when members or employees reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- a criminal offence.
- a failure to comply with a statutory or legal obligation.
- improper unauthorised use of public or other funds.
- a miscarriage of justice.
- maladministration, misconduct, or malpractice.
- deliberate concealment of any of the above.

7.4 The Council will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously, and investigated in an appropriate manner, subject to the requirements of the Human Rights Act 1998 and other statutory provisions. The administering authority will deal firmly with those who defraud the Council, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as raising malicious allegations) may be dealt with as appropriate.

7.5 When fraud or corruption have occurred because of a breakdown in systems or procedures, the administering authority will ensure that appropriate improvements are implemented to prevent a reoccurrence.

8. Responsible Officers

8.1 The Head of Internal Audit and Risk Management– The Head of Internal Audit has a duty to monitor instances of financial irregularities within the Council as a whole, and to report certain details to external bodies, such as External Audit. The Head of Internal Audit also has a duty to ensure that appropriate investigations are carried out.

8.2 The Head of Internal Audit and Risk Management – The Head of Internal Audit is also the Money Laundering Reporting Officer (MLRO) and any suspected grounds of money laundering should be reported to the MLRO who will keep a record of all referrals received. The MLRO will also record any action taken to report concerns on to the National Crime Agency.

8.3 Director of Legal and Governance (CCC Monitoring Officer) – The Monitoring Officer acts as the Deputy Money Laundering Officer.

8.4 Section 151 Officer – Under section 151 of the Local Government Act 1972 and Section 73 of the Local Government Act 1985 the Section 151 Officer has a statutory duty to ensure that there are proper arrangements in place to administer the Council's financial affairs (as the administering authority).

8.5 Director of Finance – The Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the role of the Chief Finance Officer/ Director of Finance (CFO) lists one of the CFO's core responsibilities as 'implementing appropriate measures to prevent and detect fraud and corruption'.

9. Deterrence

9.1 The publication of this Anti-Fraud and Corruption Policy and regularly reinforcing that the administering authority operates a zero-tolerance approach will help deter those considering perpetrating fraudulent activity.

9.2 Where any loss is incurred to fraud and corruption the administering authority will take action to recover monies owed.

9.3 Managers are expected to conduct risk reviews of the systems and procedures for which they are responsible and proactively update where weakness has been identified.

- 9.4 Pension Fund Committee and Pension Fund Board members receive annual reports on Internal Audit findings, including summary details of investigations into allegations of fraud and financial impropriety.
- 9.5 After an investigation, sanctions will be applied where fraud and corruption are proven to be present. This will be done in a comprehensive, consistent, and proportionate manner whereby all possible sanctions – disciplinary, civil and criminal are considered. For elected members this will include the sanctions available for breaches of the Members’ Code of Conduct. The level of sanction pursued will be considered at the end of the investigative process when all evidence is available.

10. Detection and prevention of fraud by the Cambridgeshire Pension Fund

- 10.1 The below table demonstrates the activities undertaken by Cambridgeshire Pension Fund to mitigate the likelihood of fraud and corruption occurring –

Activity	Detail of activity	Responsibility
Biennial participation in the National Fraud Initiative.	The National Fraud Initiative (NFI) exercise matches electronic data within and between public and private sector bodies to prevent and detect fraud.	Officers are responsible for starting investigations into the members identified within one month of the report being received. The Head of Pensions will be notified of any fraudulent cases identified and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy within one month of escalation.
Annual proof of existence for overseas pensioner members and members aged 95+	All pensioner members are asked to access their online account to confirm their contact details remain correct or complete and return a proof of existence form.	Officers are responsible for conducting this exercise and suspending the ongoing of pension of payment for nil returns until contact has been made or notification that the scheme member has died. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.

Cambridgeshire Pension Fund

Activity	Detail of activity	Responsibility
Monthly mortality screening.	Deferred, pensioner and frozen refunds members are screened monthly to identify members that have passed away.	Officers are responsible for overseeing the process with the Fund's supplier of mortality screening services (Accurate Data Services) and are responsible for ensuring that appropriate action is taken where deceased members are identified. The Cambridgeshire Pension Fund subscribes to the Department of Work and Pensions Tell Us Once service and is notified of any deaths of scheme members through this service. Notifications are received shortly after a death has been registered but as it is a voluntary service the Fund cannot rely on the representatives of all members to use it, hence the requirement for a supplier of mortality screening services. The Head of Pensions will be notified of any fraudulent cases identified and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy within one month of escalation.
Reconciliation of Employer and Employee contributions.	It is a statutory requirement for employers to pay both employee and employer contributions to the Fund by the 19 th of the month following deduction. If the contributions are not paid it could indicate improper use of employee contributions in addition to the failure to comply with a statutory obligation.	Investigations by Officers will be carried out by the end of the month following non-receipt of contributions and irregularities between payments and schedules. Relevant cases are escalated in line with the Payment of Employee and Employer Pension Contributions Policy. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.

Cambridgeshire Pension Fund

Activity	Detail of activity	Responsibility
Internal Audit Reviews.	Internal Audit plays a vital preventative role in trying to ensure that systems and procedures are in place and operating effectively to prevent and detect fraud and corruption. They liaise with management to recommend changes in procedures to prevent further losses to the Fund.	Internal Audit conduct annual reviews from which the findings are presented to the Pension Fund Committee and Pension Fund Board. Relevant actions will be addressed by the Head of Pensions. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.
External Audit Reviews.	Independent external audit is an essential safeguard in the stewardship of public money. External auditors are always alert to the possibility of fraud and irregularity and will act without undue delay if grounds for suspicion come to their notice.	External Audit will conduct annual reviews from which the findings are presented to the Pension Fund Committee and Pension Fund Board. Relevant actions will be addressed by the Head of Pensions. The Head of Pensions will be notified if any potential fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.
Managing Conflicts of Interest.	Pension Fund Committee and Pension Fund Board members must ensure that they avoid situations where there is a potential for a conflict of interest. Declarations ensure potential conflicts are identified and dealt with appropriately mitigating the risk of fraudulent activity.	Pension Fund Committee and Pension Fund Board members are required to declare potential conflicts at the start of each meeting. Democratic Services are responsible for ensuring all declarations are held on the Council's register.

10.2 The below table demonstrates the triggers that would instigate action by Cambridgeshire Pension Fund to mitigate the likelihood of fraud and corruption occurring –

Trigger	Detail of trigger	Responsibility
Evidence received suggests pensioner member is no longer at the address held on record*.	Returned post (including pensioner payslips) suggests that the scheme member no longer resides at that address.	The member's record will be immediately marked as gone away as to prevent any further information being sent to that address. The member payroll record will also be immediately suspended. Officers will use the Fund's mortality screening and address tracing provider to obtain either a new address or receive confirmation that the scheme member has passed away. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.
Evidence received suggests any other type of scheme member is no longer at the address held on record*.	Returned post (including pensioner payslips) suggests that the scheme member no longer resides at that address.	The member's record will be immediately marked as gone away as to prevent any further information being sent to that address. Officers will use the Fund's mortality screening and address tracing provider to obtain either a new address or receive confirmation that the scheme member has passed away. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.

Cambridgeshire Pension Fund

Trigger	Detail of trigger	Responsibility
Change of address requests.	Request received to send correspondence to another address.	<p>The preferred method of update is via Member Self Service where security checks are undertaken to obtain access.</p> <p>For written requests (via post or email) internal checks will be undertaken to verify the request.</p> <p>If the address is not the scheme member's address, internal checks will be undertaken and the member will remain the legal recipient with the address being marked as C/O</p>
Requests to act upon someone else's behalf.	Request received to send scheme member correspondence to another individual.	Processes are in place to check the validity of lasting power of attorney, enduring powers of attorney and deputy court orders. No change to the recipient of member correspondence will be actioned without appropriate documentation.
Returned BACS payments.	BACS payments returned to the Fund by the recipient's bank/building society shortly after the payment date if the account has closed or an error has occurred. The returned payment could be due to a change of bank details or death of the scheme member.	Investigations to be carried out by Officers within one month of the returned payment. The member payroll record will be suspended until contact is re-established with the scheme member or confirmation of the member's death. Officers will use the Fund's mortality screening and address tracing provider to obtain either a new address or receive confirmation that the scheme member has passed away. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.

Cambridgeshire Pension Fund

Trigger	Detail of trigger	Responsibility
Falsification/non-submission of documents (Scheme member).	<p>Scheme members may provide incorrect information for financial gain.</p> <p><i>An individual other than the member may have completed the claim forms and inserted their own bank details, for example.</i></p>	<p>All birth, death and marriage/civil partnership certificates need signing and verifying by the individual submitting them. All benefits need to be claimed via a signed declaration form. Officers are responsible to carrying out the necessary security checks before benefits are paid. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.</p>
Falsification/non-submission of documents (Scheme employer).	<p>Scheme employers may provide the service with incorrect data in order to gain financially.</p> <p><i>An employer may provide incorrect information to reduce the impact to the employer such as understate an employees pay to reduce strain costs, for example.</i></p>	<p>Data verification checks to look for inconsistencies. Data matched against contribution information for the valuation carried out by the actuary. Electronic signatures are only accepted from a verified email address from authorised personnel. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.</p>
Pension Fund Staff maladministration.	<p>Personal information (e.g. bank details) may be misused by Pension Fund Staff for personal financial gain.</p> <p><i>The bank details used to process the benefits could be different to the ones on the claim form and therefore paying an incorrect individual, for example.</i></p>	<p>It is the responsibility of the Officer releasing the payment generated by another Officer to ensure the payment is of the correct amount and to the correct individual. The Head of Pensions will be notified if any potentially fraudulent activity is suspected and will subsequently inform the Head of Internal Audit and the Section 151 Officer for appropriate action under corporate policy immediately.</p>

Trigger	Detail of trigger	Responsibility
Destruction of evidence.	<p>There is a clear separation of duties between employees and all calculations and payments are checked at a more senior level. The pensions Altair system report can identify all changes/deletions on all member records if required.</p> <p><i>A deletion could be to hide a fraudulent activity such as collusion between a member of staff and member of the Fund to receive enhanced benefits, for example.</i></p>	Officers are responsible for keeping accurate member records. The Altair Pensions Administration and Payroll platform can track changes on all member records and any suspicious activity can be investigated through a system report. The Head of Pensions will be notified of any tampering with records and will subsequently inform the Head of Internal Audit; Human Resources and the Section 151 Officer for appropriate action under corporate policy immediately.

* for members with no fixed abode, where a temporary address cannot be provided, confirmation of previous address and a form of identification will be required.

10.3 The Public Interest Disclosure Act 1998 (the “Act”) places a legal responsibility on employers to ensure that matters of serious public concern can be addressed.

10.4 A ‘qualifying disclosure’ is any disclosure of information that is made in the public interest and in the reasonable belief of the individual may show that one or more of the following is either happening at the present time, took place in the past or is likely to happen in the future:

- a criminal offence
- a miscarriage of justice
- an act creating risk to health and safety
- an act causing damage to the environment
- a breach of any other legal obligation; or
- concealment of any of the above

10.5 In making the disclosure, an individual must have a reasonable belief that the information disclosed shows one or more of the offences or breaches listed above. The belief need not be correct, but the individual must show that they held the belief and that it was a reasonable belief, in the circumstances, at the time of the disclosure.

- 10.6 Many fraudulent activities are discovered by chance or ‘tip off’ and the administering authority promotes the Whistleblowing policy to encourage and enable these to be reported.
- 10.7 Members of the public are encouraged to report any concerns which they may have through the external Whistleblowing process or by using the Fund complaints procedure.

11. Investigation

- 11.1 All suspected irregularities are investigated within the Pensions Service in the first instance and will be dealt with immediately. All probable and confirmed cases are required to be reported to Internal Audit by the Head of Pensions.

This is essential to the policy, to:

- ensure the consistent treatment of information regarding fraud and corruption.
- facilitate a proper and thorough investigation by an experienced audit team, in accordance with the requirements of the CPIA and PACE codes of practice.

- 11.2 Internal Audit carries out investigations and follows up appropriately as per the authority’s corporate policy. Fraud is a serious offence and is covered by the Fraud Act 2006.

12. Sanctions

- 12.1 It is highly likely that the administering authority will seek to prosecute offenders wherever appropriate.
- 12.2 Any decision to refer a matter to the police will be taken by the Head of Pensions and Head of Audit in consultation with the Council’s Section 151 Officer. The Chair of the Pension Fund Committee will be informed.

13. Related Documents

- 13.1 The Cambridgeshire County Council Anti-Fraud Policy and Fraud Policy - [Fraud and corruption - Cambridgeshire County Council](#)
- 13.2 The National Fraud Initiative – [National Fraud Initiative - GOV.UK \(www.gov.uk\)](#)
- 13.3 Fighting Fraud and Corruption Locally – [Fighting fraud and corruption locally | Local Government Association](#)
- 13.4 CPIA Code of Practice - [Criminal Procedure and Investigations Act Code of Practice - GOV.UK \(www.gov.uk\)](#)
- 13.5 The Fraud Act 2006 – [Fraud Act 2006 \(legislation.gov.uk\)](#)
- 13.6 Cambridgeshire County Council Whistle blowing Policy – [Whistleblowing Policy - Cambridgeshire County Council](#)

- 13.7 Cambridgeshire County Council's Anti-Money Laundering Policy in place with access for Officers.
- 13.8 Cyber Strategy in place with access being restricted to officers, relevant consultants committee and board members.

14. Contact details

- 14.1 If you require further details surrounding this policy please contact –

Mark Whitby
Head of Pensions

Mark.whitby@westnorthants.gov.uk

Michelle Oakensen
Governance and Regulations Manager

Michelle.oakensen@westnorthants.gov.uk

To: Pension Fund Committee

Meeting date: 19 December 2024

Report by: Cory Blose
Employer Services and Communications Manager

Subject: Review of Admissions and Bulk Transfers Policy

Purpose of the report: To seek approval of the Fund's Admissions and Bulk Transfers Policy.

Recommendations: The Pension Fund Committee is asked to approve the draft policy

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

1. Background

- 1.1 The Fund has previously published and maintained an Admission Bodies, Scheme Employers and Bulk Transfer policy which sets out the requirements for employers joining the Fund and provides details of the Fund's policies regarding how the Fund will manage the participation of different types of employer, including: admissions, managing and monitoring risk, the collection of contributions and other payments, and exits from the Fund.
- 1.2 The document also sets out the Fund's policies regarding the bulk transfer of assets and liabilities into or out of the Fund.
- 1.3 The policy was last reviewed in 2021.

2. Executive summary

- 2.1 The Fund's Admission Bodies, Scheme Employers and Bulk Transfers policy has undergone an officer review, having last been reviewed in 2021.
- 2.2 As a result of the review, the policy has been completely restructured and rewritten in line with current preferences.
- 2.3 The policy document contains the Fund's policies on how it will manage the employer life cycle including requirements for entry, risk management and other matters concerning an employers' participation in the Fund.
- 2.4 The policy detail has mostly remained unchanged. The main change to the policy has been to make pass through admissions the default approach to manage the participation and risk of these employers.
- 2.5 The policy has also been renamed as the Admissions and Bulk Transfers policy to better reflect the subject matter included.

3. Issues and choices

Review of the policy

- 3.1 The policy has been reviewed by officers and a new draft policy has been provided with this paper for review and approval by the Pension Fund Committee.
 - 3.2 Advice has been taken from the Fund Actuary when developing and reviewing the policy.
 - 3.3 The policy document has been completely restructured and rewritten to reflect the Fund's current writing style and to update the Fund objectives in line with the current business plan.
 - 3.4 The policy has now been restructured thematically according to the typical employer life cycle, rather than by employer type, reducing duplication of policies.
 - 3.5 The policy covers the following aspects of the employer life cycle:
 - Requirements for entry
 - Allocation of assets and liabilities on entry
 - Contribution rates and other costs
 - Monitoring and managing employer related risks
 - Pass through arrangements
 - Cessations
 - Bulk transfer of assets and liabilities into and out of the Fund
 - 3.6 The policy detail has mostly remained unchanged. The most significant change is that the default approach to managing risk in relation to transferee admission bodies (contractors) is for a pass-through admission to be put in place where the assets and liabilities are retained by the employer awarding the contract (usually a large council or academy trust).
 - 3.7 The policy has also been renamed the Admissions and Bulk Transfers policy to make it clearer what the policy document covers. A separate cessations policy is in place providing details on how cessations will be treated. To avoid any confusion, the term cessation has not been included in the title of this policy, even though it does touch on some cessations policy and set the context for the cessations policy.
 - 3.8 As the policy has been completely restructured and rewritten, officers have not included a track changed version of the draft policy. The current version of the policy is available on the Fund's website <https://pensions.cambridgeshire.gov.uk/governance/key-documents/cambridgeshire/>.
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 continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- 4.4 To ensure regular monitoring of employer covenants, putting in place mitigations of adequate strength to protect 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 There are no legal implications arising from the proposals.
 - 5.3 Risk management
 - 5.3.1 There are no significant risks arising from the proposed recommendations in this report.
 - 5.4 Consultation
 - 5.4.1 The Fund actuary was consulted when reviewing the strategy.
- 6. Background papers
 - 6.1 The Admission Bodies, Scheme Employers and Bulk Transfers policy.
- 7. Appendices
 - 7.1 Appendix 1 – Draft Admissions and Bulk Transfers Policy
- 8. Accessibility
 - 8.1 An accessible version of the information contained in this report and appendix is available on request from the report author.

Admissions and bulk transfer policy 2024



Administered in partnership

Contents

1. Introduction.....	2
2. Policy objectives.....	2
3. Purpose of this Policy	2
4. Scope	3
5. Effective date.....	3
6. Review	3
7. Who can join the Fund?	3
8. Requirements for Entry.....	4
9. Allocation of assets and liabilities	5
10. Contribution rates and other costs	7
11 Pass Through Admissions.....	8
12 Monitoring employer risk	8
13 Cessations.....	9
14 Future Cessations.....	10
15 Alternatives to immediate cessation.....	10
16 Basis of termination calculation.....	11
17 Payment of cessation debt.....	11
18 Payment of exit credit.....	12
19 Bulk Transfers.....	12
Contact.....	14
Appendix 1	15
Appendix 2.....	16
Appendix 3.....	17
Appendix 4.....	18

1. Introduction

- 1.1 This is the Admissions and bulk transfer policy of Cambridgeshire Pension Fund managed by Cambridgeshire County Council (the Administering Authority).
- 1.2 This is the policy of the Cambridgeshire Pension Fund (“The Fund”) regarding the admission of new employers to the Fund and the bulk transfer of pension rights to and from the Fund. This policy should be read in conjunction with the funding strategy statement, cessations policy and relevant legislation, such as the Local Government Pension Scheme Regulations 2013 (as amended) (“The Regulations”). These Regulations can be found [here](#).
- 1.3 Details of the overriding principles, regulatory framework and guidance covering the participation of employers in the LGPS and bulk transfers are included in Appendix A-C of this document.

2. Policy Objectives

- 2.1 The Funds’ objectives related to this policy are as follows:
 - To ensure employer contributions are as stable as possible, recognising the characteristics, circumstances and affordability constraints of each employer;
 - To ensure the long-term solvency of the Fund, taking a prudent long term view, so that sufficient funds are available to meet all members’/dependants’ benefits as they fall due for payment;
 - 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; and
 - To ensure appropriate exit strategies are put in place both in the lead up to and termination of a scheme employer.

3. Purpose of this Policy

- 3.1 The purpose of the policy is to:
 - set out details of which employers can be admitted into the Fund
 - provide details of the process by which new employers are admitted into the Fund, including the various requirements they need to adhere to in order to achieve that;
 - address the different characteristics of employers or groups of employers to the extent that this is practical and cost-effective;
 - ensure the long-term solvency of the Fund as a whole and the solvency of each of the notional sub funds allocated to the individual employers;
 - set out the approach the Administering Authority will take in relation to bulk transfers into and out of the Fund;
 - ensure that sufficient funds are available to meet all benefits as they fall due for payment;

- help employers recognise and manage pension liabilities, and the possible effect on the operation of their business;
- use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer ceasing participation or defaulting on its pension obligations; and
- maintain the affordability of the Fund to employers as far as is reasonable over the longer term.

4. Scope

4.1 The policy applies to:

- officers of the Fund
- members of the Pension Fund Committee
- employers of the Fund, and
- professional advisors.

5. Effective date

5.1 This policy was first approved by the Pension Fund Committee on [19 December 2024].

6. Review

6.1 This policy will be reviewed by Fund Officers annually and by the Pension Fund Committee every three years, and if necessary, more frequently to ensure it remains accurate and relevant.

7. Who can join the Fund?

7.1 The LGPS is open to employers providing a public service in England and Wales, including private companies who provide public services on behalf of a public body. Charities with close ties to a public body may also be able to participate in the LGPS, if certain conditions are met.

7.2 Schedule 2 to the Regulations sets out the types of employer that must or can offer the LGPS to their employees. These are split into three types:

- **Scheduled bodies** – local government/public sector employers that must enrol eligible employees into the LGPS. These are listed in Part 1 of Schedule 2 to the Regulations. They are usually large local authority employers such as county council's and police/fire authorities but also include Academy Trusts.
- **Resolution bodies** – a type of scheduled body that can choose to offer membership of the LGPS to its employees but with no obligation to do so. These are listed in Part 2 of Schedule 2 to the Regulations. They are usually smaller public sector bodies such as parish council's and drainage boards or bodies funded or controlled by a public sector body.
- **Admission bodies** – are non-public sector employers that can participate in the LGPS under certain conditions. The conditions that must be met are set out in Part 3 of Schedule 2 to the Regulations, including the requirement to enter into an admission agreement. Admission bodies are usually private contractors providing

public services on behalf of a scheduled or resolution body or charities providing a public service with close ties to a scheduled or resolution body.

8 Requirements for entry

Scheduled and Resolution bodies

- 8.1 Scheduled and resolution bodies have an automatic right to offer LGPS membership to employees that are eligible to join. Scheduled bodies have a statutory obligation to do so whilst resolution bodies can designate which employees (if any) are eligible.
- 8.2 The Regulations set out which Fund these employers should participate in, usually based on their geographical location. The relevant administering authority cannot refuse admission to scheduled or resolution bodies.
- 8.3 There is no formal entry process for scheduled bodies but the Administering Authority should be contacted at the earliest opportunity as there are many considerations and actions involved in joining the Fund.
- 8.4 Resolution bodies must pass a resolution designating an employee or group of employees as being eligible for membership of the LGPS and provide a copy of that resolution to the Administering Authority. This would usually be in the form of a copy of the official minutes of the meeting at which the resolution was passed.

Admission Bodies

- 8.5 To be admitted to the Fund, admission bodies must meet the criteria listed in part 3 of schedule 2 to the Regulations and enter into an admission agreement with the Administering Authority. They must also meet any relevant requirement set out in this policy document.
- 8.6 There are 5 sets of criteria but the majority of admission bodies fall under one of two sets of criteria:

Community admission bodies (CABs) – CABs are bodies that meet the criteria set out in paragraph 1(a) of part 3 of schedule 2 to the Regulations. CABs are non-profit organisations, providing a public service in England and Wales with strong links to another scheme employer.

Transferee admission bodies (TABs) – TABs are bodies that meet the criteria set out in paragraph 1(d) of part 3 of schedule 2 to the Regulations. TABs are contractors providing public services on behalf of another scheme employer. In most cases, this will involve a transfer of staff from the scheme employer to the contractor.

- 8.7 Bodies that meet the criteria set out in paragraphs 1(b), (c) and (e) are less common but can still be admitted to the Fund if they meet the relevant criteria in Part 3 of schedule 2 and any requirements set out in this policy document.

Risk Assessment

- 8.8 The Regulations require that every admission body must be subject to a risk assessment, taking account of actuarial advice. This should assess the level of risk arising on premature termination of the admission agreement due to the insolvency, winding up or liquidation of the admission body.
- 8.9 The risk assessment for all types of admission body must be carried out to the satisfaction of the Administering Authority and, for TABs, also the scheme employer for which the services are being provided (the awarding authority).

- 8.10 All admission bodies must provide a suitable guarantee to the Fund from a guarantor considered by the Administering Authority to be reliable and financially durable. Acceptable guarantors would usually be a local authority or central government department. A parent company considered to be reliable and durable enough may be accepted in some circumstances.
- 8.11 For TABs, the Regulations specify that the awarding authority act as guarantor for the admission body. In most cases, where the admission body will participate in the Fund as a TAB, the Administering Authority's default position is to offer a "pass through" agreement. However, a full admission agreement may be required if either the Administering Authority or the awarding authority consider the assessed risk to be significant or the number of transferring active members is considered material.
- 8.12 If a full admission agreement is put in place, a bond or indemnity may need to be provided by the admission body. The purpose of such a bond or indemnity is to provide protection to the awarding authority. The awarding authority will therefore need to confirm if it wants such a bond or indemnity to be provided.
- 8.13 Where a "pass through" agreement is put in place, any bond requirements are usually waived but the admission body may be required to obtain a limited bond.
- 8.14 In all circumstances where a bond or indemnity is provided, the bond or indemnity must be re-evaluated by the Administering Authority and renewed by the body at regular intervals.
- 8.15 The Administering Authority reserves the right to exercise its discretion and alter the guarantor or bond requirements where the individual circumstances of an application make it prudent to do so.
- 8.16 The officers of the Fund will be responsible for ensuring any bodies meet the criteria set out above, having regard to the appropriate legal and actuarial advice. The Fund's admission agreements will generally be standard and non-negotiable, drawn up on advice from the Fund actuary and legal advisor. These terms will include commencement, transfer, payment, bond/indemnity or guarantor requirements, as well as termination clauses to protect the other beneficiaries and participants in the Fund.
- 8.17 All applications from bodies that meet the criteria of paragraph 1(d) of part 3 of schedule 2 to the Regulations and meet the terms of the admission agreement will be accepted and reported to the Pension Fund Committee for information only. Applications that materially depart from these criteria and/or the standard terms of the admission agreement will be reported to the Pension Fund Committee for agreement and may be refused.
- 8.18 Applications for all other types of admission body will be subject to agreement by the Pension Fund Committee.

9 Allocation of assets and liabilities

- 9.1 The allocation of assets and liabilities at the start of an employer's participation in the Fund will depend on the type of employer and the circumstances of their entry to the Fund.
- 9.2 The following section sets out the general approach taken in different circumstances for each employer type. Alternative approaches may be taken where the

Administering Authority feels it is appropriate to do so to reflect any unique circumstances that might arise for a particular admission.

- 9.3 In all circumstances the value of assets and liabilities will be calculated using the Fund's ongoing basis as set out in the Funding Strategy statement.
- 9.4 The asset share will be tracked on a monthly basis during the period of participation in the Fund allowing for cash flows in/out of the scheme employer and the Fund's investment returns.

Scheduled and Resolution bodies

- 9.5 The allocation of assets for scheduled and resolution bodies will depend on the circumstances under which they join the Fund and whether or not any assets and liabilities will be transferring from another employer.
- 9.6 **Academy conversion from LEA school** – In this scenario only the liabilities of active members on the date of conversion are transferred to the Academy. The deferred and pensioner liabilities are retained by the LEA. Opening assets will therefore be allocated on a 'share of deficit' basis where the amount of assets notionally transferred to an academy is based on the ongoing funding level of active members of the ceding local authority on the calculation date. This ensures that deferred and pensioner liabilities being retained by the LEA are fully funded. The remaining assets are notionally transferred to the Academy. This may result in the Academy having a funding deficit on day one. Any transfer of assets under this scenario will be limited to the value of liabilities. Any assets above this value will be retained by the LEA.
- 9.7 **Academy Free school** - Normally Free schools are established with newly recruited staff therefore a transfer of assets and liabilities from another employer is not expected so they will have nil assets and liabilities at the outset. If any members bring in individual transfers (whether from another Fund employer or another LGPS Fund) these will be brought in using standard transfer arrangements set by the Government Actuary Department (GAD).
- 9.8 **Existing academy starting/joining a new Trust** – Where an existing academy sets up a new single-academy trust or moves from one multi-academy trust to another, all assets and liabilities (including deferred and pensioner liabilities) will normally be transferred to the new trust.
- 9.9 **Non-academy employers** - To be agreed in each individual case depending on the circumstances of the case, taking into consideration the views of any transferring employer and/or business agreements.

Admission bodies

- 9.10 The allocation of assets when an admission body joins the Fund will depend on the type of admission body and the circumstances of the admission, taking into consideration the views of any transferring employer and any relevant business agreements.
- 9.11 **Transferee Admission Bodies** – For admission bodies providing services on behalf of another Scheme employer under a contract or other arrangement, only the liabilities related to those active members whose employment transfers to the admitted body as part of the contract will be transferred to the admission body. The opening assets allocated to the admission body will be 100% of the value, at the

date of admission, of the transferring liabilities. This will not apply where a “pass through” agreement is put in place. Instead, the arrangements set out in section 11 (Pass Through Admissions) of this policy will apply.

9.12 **All other Admission bodies** – For all other admissions bodies, the asset allocation will be agreed in each individual case depending on the circumstances of the case, taking into consideration the views of any transferring employer and any relevant business agreement.

9.13 In all circumstances (except “pass through” agreements) the value of assets and liabilities will be calculated using the Fund’s ongoing basis as set out in the Funding Strategy statement.

9.14 The asset share will be tracked on a monthly basis during the period of participation in the Fund allowing for cash flows in/out of the scheme employer and the Fund’s investment returns. This will not apply where a “pass through” agreement is put in place. Instead, the arrangements set out in section 11 (Pass Through Admissions) of this policy will apply.

10 Contribution rates and other costs

Setting employer contribution rates

10.1 The employer contribution rate will be set in accordance with the Funding Strategy Statement, using a risk-based approach, taking into consideration elements such as:

- The employer’s funding target.
- The desired likelihood of achieving the funding target.
- The time period over which the funding target is to be met.
- Whether or not the employer admits new members to the scheme.
- The strength of employer covenant and that of its guarantor (if any) and/or any bond or indemnity in place.

10.2 The contribution rate will be set so that the funding target is met, when combined with the employer’s asset share and anticipated market movements over the funding period, by the end of the funding time period, with the desired likelihood of success.

10.3 For some employers the contribution rate may be stabilised in line with the stabilisation policy set out in the funding strategy statement. This keeps changes to the employer contribution rate within a pre-determined range allowing those employers to benefit from paying a stable contribution rate.

10.4 The Administering Authority will consider, in certain circumstances, amending the employer contribution rate between valuations, further information is set out in the Review of contribution rates policy.

10.5 The arrangements set out in paragraphs 10.1 to 10.5 will not apply where a “pass-through” agreement is put in place. Instead, the arrangements set out in section 11 (Pass Through Admissions) of this policy will apply.

Other payments

10.6 In addition to its certified employer contributions, employers will be required to make additional payments including, but not limited to:

- lump sums in relation to any early retirements or early payment of pension benefits;
- lump sums in relation to any award of additional benefits;

- reimbursement of the Administering Authority's or other bodies' costs incurred as a result of activity directly related to or requested by the employer, including actuarial, legal and other consultancy fees;
 - reimbursement of additional administration costs incurred due to inaction or poor administration by the employer, as set out in the Fund's administration strategy.
- 10.7 All lump sums in relation to non-ill health early retirement will be paid immediately by the admission body. Any request to extend the payment period will be considered in accordance with the Administering Authority Discretions policy.
- 10.8 The Administering Authority reserves the right to also request immediate payment of any ill-health strain payment not covered by the Fund's ill health pooling policy.
- 10.9 If any costs incurred in relation to an admission body cannot be collected from that admission body, for any reason, the Administering Authority reserves the right to require payment from the awarding authority or guarantor.

11 Pass Through Admissions

- 11.1 When an admission body is admitted as a TAB, the Administering Authority will offer a pass-through admission as standard. However, a full admission agreement may be required if either the Administering Authority or the awarding authority consider the assessed risk to be significant, or the number of active members transferring is of a material nature.
- 11.2 Under the pass-through agreement, the admission body:
- will either have a fixed contribution rate, or its contribution rate will vary in line with the awarding authority's rate;
 - may be required to provide a limited bond or indemnity in respect of redundancy and any other risks identified by the scheme employer; and
 - will continue to be required to pay strain costs in respect of non-ill-health early retirements.
- 11.3 Under a pass-through agreement no assets or liabilities will be assigned to the admitted body and will be retained by the awarding authority. This means that the pension risk is also retained by the awarding authority. When the admission agreement ceases, that agreement will clarify the position regarding any cessation debt / exit credit payment, etc. However, it is expected that there will be no deficit or surplus to be managed by the admission body.

12 Monitoring employer risk

- 12.1 During the participation of an employer in the Fund, the Administering Authority will monitor and/or put in place processes to monitor employer risk. This may include monitoring:
- the employer's funding level
 - strength of employer covenant, including any bond, indemnity or guarantee in place
 - level of risk exposure should the employer enter insolvency, liquidation or administration
 - any issues relating to payment of employer contributions
 - any issues relating to the provision of membership data

- 12.2 If for any reason the risk profile of an employer changes, the Administering Authority will assess what action may be needed to manage the change in the risk profile. This may include, but is not limited to:
- reviewing the employer contribution rate between valuations
 - reviewing any bond, indemnity or guarantee arrangements currently in place
 - require additional security to be provided
 - terminate the admission agreement (admission bodies only).
- 12.3 The Administering Authority reserves the right to review contribution rates for admission bodies annually or more frequently, particularly within the final three years before the expected date of termination of the admission agreement. This will seek to ensure the employer is broadly fully funded with neither a significant deficit or surplus at the date of exit from the Fund.

13 Cessations

- 13.1 The likelihood of and reasons for an employer ceasing participation in the Fund depends on the type of employer, whether or not new employees are able to join the LGPS and the rules around the employer's participation in the Fund.

Scheduled and resolution bodies

- 13.2 Scheduled bodies are required by law to enrol all eligible employees into the LGPS it is therefore not generally expected for them to cease participation in the Fund. Resolution bodies are able to choose which employees are eligible for membership of the LGPS and therefore it is more likely that they may exit the Fund.
- 13.3 Cessation would be considered to take place for both types of bodies in, but not limited to, the following circumstances:
- they have no active members in the Fund; or
 - the employer is wound up, merged or ceases to exist; or
 - the employer moves to another LGPS Fund, or another pension scheme, due to reorganisation.

Admission bodies

- 13.4 Due to the nature of their participation in the Fund, all admission bodies are expected to exit the Fund naturally when:
- they have no active members in the Fund; or
 - in the case of TABs, the contract or arrangement for the provision of services has ended.
- 13.5 The Administering Authority reserves the right for the admission agreement to be terminated early in any of, but not limited to, the following circumstances and following unsuccessful attempts to enable the admission body to remedy the situation, where applicable:
- Where the admission body is not paying monies due to the Fund within the period required by the Fund;

- Where the admission body is not meeting administrative requirements relating to the provision of information;
- Where the admission body is not meeting its requirement to renew, adjust or review any bond/indemnity or to confirm an appropriate alternative guarantor;
- Where the admission body breaches any other obligations under the admission agreement, not covered above;
- Where the employer becomes insolvent, is wound up, merged or ceases to exist; or
- On termination of a deferred debt agreement.

14 Future cessations

Scheduled bodies

- 14.1 Where a scheduled body is likely to terminate within the next 5 to 10 years due to losing its last active member within that timeframe, the Administering Authority reserves the right to set contribution rates by reference to liabilities valued on the termination basis (as per below). The target in setting contributions for any employer in these circumstances is to achieve full funding on a termination basis by the time the employer terminates avoiding either a significant deficit or surplus position at exit. This will help to protect other employers in the Fund and assist the exiting employer with planning a managed exit from the Fund.

Admission Bodies

- 14.2 Where an admission agreement for a body that has no awarding authority or central government guarantor is closed to new entrants, the Administering Authority policy is to set contribution rates by reference to liabilities valued on the termination basis. The purpose of this policy is to protect other employers in the Fund reflecting the inability of the Fund to collect further contributions to fund the liabilities following the exit of such an employer
- 14.3 Where an admission agreement for a transferee admission body is due to end before the next valuation, the Administering Authority reserves the right to review the employer's contribution rate and adjust the rate to ensure the employer is fully funded with neither a significant deficit or surplus by the exit date.

15 Alternatives to immediate cessation

Deferral of cessation event

- 15.1 Where an employer has ceased from participating in the Fund but is expected to have one or more new active Fund members within the three-year period following the cessation event, the Administering Authority has the discretion to suspend payment of the cessation debt for an agreed period of time. Where approved, the Administering Authority will liaise directly with the employer and confirm the contribution rate requirements to be paid during the period of deferral.

Deferred debt agreements (“DDAs”) and Debt spreading arrangements (“DSAs”)

- 15.2 The Administering Authority may, at its discretion, allow a ceasing employer who is continuing in business, to enter into a funding agreement whereby the payment of an

exit debt is deferred and, instead, the employer continues to pay secondary contributions. Further details on this type of agreement are set out within the Fund's cessation policy, but any agreement would be considered on an individual basis. The Administering Authority will likely require some form of security from the ceasing employer to enter into such an agreement.

16 Basis of termination valuation

- 16.1 The Fund's general principle on the cessation of an employer is to assume a "clean break" on termination, i.e. the departing employer's liability to make further contributions to the Fund is extinguished on payment of the termination deficit calculated on an appropriate basis.
- 16.2 The Fund's policy in relation to the calculation of cessation valuations in various circumstances is detailed in the Fund's cessation policy, albeit each case will be considered on its own merits in accordance with the administering authorities scheme of delegation.

17 Payment of cessation debt

- 17.1 The Fund's preferred and default position will be to collect the cessation payment by way of a lump sum where it is the admission body that is making the payment. The Fund's normal policy is that the payment is made within 30 days of the employer being notified. The employer may be allowed to spread payment over an extended period where the employer enters into a DDA or DSA.
- 17.2 An agreement to spread the payment of the cessation debt may be agreed by the Head of Pensions, where such an agreement meets the terms set out in the Fund's cessation policy. Any proposals that do not meet the terms of the policy will be subject to agreement by the Pension Fund Committee.
- 17.3 In most cases some form of security relating to the unpaid amount will be required. Further details are contained in the Fund's cessation policy.
- 17.4 Where the cessation debt cannot be repaid by the employer, any outstanding payment, once any bond, indemnity or alternative guarantor has been exhausted, may be recovered by one of the following means:
- by incorporating the cessation debt into the awarding authority's or guarantor's ongoing contribution rate, calculated by including the ceasing employer's assets and liabilities in the awarding authority/guarantor's share of the Fund. The Administering Authority reserves the right to require payment by immediate lump sum;
 - where the deficit is to be spread amongst all the employers in the Fund, the rates and adjustments certificate will allow for any ongoing deficit for departed employers at each triennial valuation, commencing from the first triennial valuation after the body or bodies depart (unless the results of that valuation have already been finalised);
 - the approach in the previous bullet may be deferred whilst there are sufficient assets in the ceased employer's share, to pay benefits to its ex-employees;
- 17.5 The Administering Authority will in all cases seek to maximise the monies recoverable and hence minimise the risk of deficit costs being levied on other Fund

employers. In exceptional circumstances this may result in an admission body paying less than the full cessation deficit. Any such cases will be subject to approval by the Pension Fund Committee.

18 Payment of exit credit

- 18.1 Where the Administering Authority determines that an exit credit may be payable, the Administering Authority will:
- promptly notify the employer – and any other relevant body – of its intention to make a determination as to the value, if any, of any exit credit payable to the employer
 - revise the rates and adjustments certificate showing the excess of assets over the liabilities as assessed by the actuary
 - make any necessary exit credit payment to an employer within six months of the cessation date (or another date agreed between the Administering Authority and the employer).
- 18.2 Further details can be found within the Fund’s cessation policy.

19 Bulk Transfers

Calculation of bulk transfer out of the Fund

- 19.1 Bulk transfers occur when the liabilities of ten or more members are transferred out of the Fund.
- 19.2 Payments of bulk transfers from the Fund will be carried out in line with the following:
- 19.3 **Transfers to a broadly comparable scheme** - The transfer payment will represent the full value of the transferring liabilities on the ongoing funding basis, irrespective of the funding level of the transferring awarding authority. In exceptional circumstances, the bulk transfer may be adjusted to reflect specific issues of the transferring employer.
- 19.4 **Employer moving to another Scheme or Fund** - Where the transferring employer is leaving the Fund in its entirety and transferring all liabilities, the transfer payment should be equivalent to the employer’s share of the assets in the Fund. In particular, this would apply where all deferred and pensioner members are also transferring.
- 19.5 **Partial exit of an employer to another Scheme or Fund** – Where the transferring employer is leaving the Fund but only transferring active liabilities (e.g. deferred and/or pensioner liabilities will remain in the Fund) then the transfer payment should be equivalent to the employer’s share of the assets in the Fund less an amount withheld to ensure non-transferring liabilities are fully funded on a low risk exit basis.
- 19.6 **Transfers within the Fund** - Although there is no physical payment to or from the Fund, transfers between employers within the Fund should be treated in the same way as external transfers, particularly for outsourcings to employers fulfilling a contract, to ensure a level playing field between those offering a broadly comparable scheme and those proposing to seek admitted body status. This is to ensure that the level of security offered to the remaining employers in the Fund is not diminished by reason of the transfer.
- 19.7 **In all other circumstances** – The transfer payment will generally be calculated on an ongoing basis but will be considered on the merits of the case. Generally, the

Fund's approach is for the Government Actuary's standard cash equivalent transfer value (CETV) to be used when calculating the assets to be paid.

- 19.8 Any shortfall between the transfer payment from the Fund and that which the receiving scheme is prepared to accept must be dealt with outside of the Fund, This will be particularly important where the transferring employer's participation in the Fund is ending and the bulk transfer payment is being reduced to accommodate a cessation valuation in respect of the remaining deferred and pensioner liabilities.

Adjustment to transfer payment between transfer date and payment date

- 19.9 Normally the transfer value will be calculated as at the date the members transfer their employment. This value is then adjusted until the actual payment date, which is typically some months or years later.
- 19.10 There is an overriding principle of minimising the risk to the Fund of paying out more in the bulk transfer than the Fund holds in assets which are attributable to the transferring liabilities. Consequently, the most appropriate adjustment would be to use the actual returns achieved on the Fund's assets over the appropriate period.
- 19.11 There are a number of practical difficulties associated with this, not least the fact that Fund returns are typically only available on a quarterly basis and there is a lag between the quarter end and the availability of the return information. As a result, an approximation is usually required for part of the period, which will typically take the form of:
- applying index returns in line with the benchmark agreed at the time of the bulk transfer, and/or
 - applying implied returns from monthly asset values.
- 19.12 It may subsequently be agreed between both parties to carry out a "true-up" exercise whereby the original payment amount is updated to reflect Fund returns to the Payment Date (when they become available), the difference between the original amount and the revised amount is settled between the two parties.
- 19.13 Where the bulk transfer is between two employers in the Fund, the notional transfer of assets is assumed to occur on the transfer date so there is no need to specify such an adjustment.

Format of bulk transfer

- 19.14 The type of payment will usually be in cash but is at the discretion of the Fund, to be decided by the Section 151 Officer. A deduction to the bulk transfer will be made for any administration, legal and transaction costs incurred by Fund as a result of having to disinvest any assets to meet the form of payment that suits the receiving scheme.

Bulk transfers in

- 19.15 The Administering Authority will expect all bulk transfers in to be sufficient to meet the value of the accrued benefits on ongoing valuation assumptions (i.e. the Fund's funding basis) applicable at the transfer date.
- 19.16 There may be situations where the transfer amount accepted is less than the benchmark outlined above, in which case the receiving employer will be required to fund this deficit.

- 19.17 Depending on the strength of covenant of the receiving employer and the significance of the shortfall, any such shortfall will be met by either a lump sum payment or through increases to its ongoing contribution rate at the point the transfer is made or at the next funding valuation.
- 19.18 Approval process for paying or receiving a bulk transfer
- 19.19 The Administering Authority will normally agree to bulk transfers into or out of the Fund where this policy is adhered to. However, all bulk transfers into or out of the Fund will be put to the Pension Fund Committee for agreement, where the proposals depart from this policy.

Costs

- 19.20 The Administering Authority may require any actuarial, legal, administration and other justifiable cost to be paid by the employer in the Fund responsible for the transfer in or out.

Contact

Cory Blose - Email: cory.blose@westnorthants.gov.uk

Appendix 1

Admission bodies - overriding principles

The purpose of an admission policy is to ensure that only appropriate bodies are admitted to the Fund and that the financial risk to the Fund and to employers in the Fund is identified, minimised and managed accordingly.

The Fund's policy is drafted on the basis of the following key principles:

- to ensure the long-term solvency of the Fund as a whole and the solvency of each of the notional sub-funds allocated to the individual employers;
- to ensure that sufficient funds are available to meet all benefits as they fall due for payment;
- not to restrain unnecessarily the investment strategy of the Fund so that the Administering Authority can seek to maximise investment returns (and hence minimise the cost of the benefits) for an appropriate level of risk;
- to help employers recognise and manage pension liabilities as they accrue with consideration to the effect on the operation of their business where the Administering Authority considers this appropriate;
- to minimise the degree of short-term change in the level of each employer's contributions where the Administering Authority considers it reasonable to do so;
- to use reasonable measures to reduce the risk to other employers and ultimately to the council tax payer from an employer ceasing participation or defaulting on its pension obligations;
- to address the different characteristics of the disparate employers or groups of employers to the extent that this is practical and cost-effective; and
- to maintain the affordability of the Fund to employers as far as is reasonable over the longer term.
- to complement the Funding Strategy Statement

There is also an overriding objective to ensure that the LGPS Regulations and any supplementary guidance (in particular the Best Value Authorities Staff Transfers (Pensions) Direction 2007 [Statutory Guidance to Local Authorities on Contracting effective from October 2007] and Fair Deal guidance) as they pertain to admission agreements are adhered to.

Appendix 2

Admission bodies and scheduled bodies - the regulatory and guidance framework

The LGPS

The Local Government Pension Scheme Regulations 2014, as amended, ("The Regulations") describe two main routes by which bodies may gain admission body status. These are;

1. By being linked with, funded by, or representative of a local authority or scheme employer, or providing a public service and having sufficient links with a Scheme employer for the body and the Scheme employer to be regarded as having a community of interest
2. By providing a service as a result of the transfer of the service or assets by means of a contract or other arrangement (e.g. outsourcing).

In December 2009, the Department for Communities and Local Government ("DCLG") issued guidance explaining the LGPS regulatory provisions relating to admission bodies.

Employers may also be admitted to the Fund by virtue of being listed in Schedule 2 of The Regulations. Referred to as Scheduled bodies, such employers have a right to participate in the LGPS.

Fair deal, ODPM code of practice and the direction

Where employees are being transferred under TUPE, the principles of the Cabinet Office Statement of Practice ("COSOP") dated January 2000 and revised in December 2013 "Staff Transfers in the Public Sector – Statement of Practice", and in particular the "Fair Deal for Staff Pensions" guidance that supports "COSOP" (commonly known as 'Fair Deal') must also be adhered to. The Government published the reformed Fair Deal policy on 4 October 2013, which pertains to transfers from Central Government. The key requirements of this policy are: -

- that employees transferred to a supplier will in future automatically be entitled to remain in their existing public sector pension scheme.
- under the reformed Fair Deal winning bidders generally will not have an option to
- move employees eligible for public sector pension schemes to a broadly comparable private sector pension scheme apart from in exceptional cases.
where provision of a broadly comparable pension scheme is agreed, payment of a bulk transfer and protection of past service by provision of day for day service credits (or equivalent allowing for differences in the benefit structure of the new scheme), and
- protection of other pension related terms and conditions of employment, such as enhancement of benefits on redundancy.

Fair Deal for the LGPS is still under consideration. However, it is expected that the spirit of the above policy will be followed.

Appendix 3

Bulk transfers – overriding principles

The purpose of bulk transfer negotiations is to determine the transfer payment to be paid and the amount of service credits to be awarded when a number of members transfer their benefits from one pension scheme to another.

The Fund's policy is drafted on the basis of the following key principles:

- when a group of active scheme members joins the Fund, the Administering Authority's objective is to ensure, as far as practical that the Fund does not accept an ongoing funding deficit in respect of the transferring employees;
- when a group of active scheme members leaves the Fund, in order to protect the funding position in respect of the remaining members, the transfer values in respect of the transferring members should be no more than the assets held in respect of the transferring liabilities, and at most be 100% of the transferring liabilities on the ongoing funding basis as set out in the Funding Strategy Statement; and
- service credits granted to active scheme members should fully reflect the value of the benefits being transferred, irrespective of the transfer value paid or received.
- There is also an overriding objective to ensure that the LGPS Regulations and any supplementary guidance (in particular the Statutory Guidance to Local Authorities on Contracting issued in August 2005 and Fair Deal guidance) as they pertain to bulk transfers are adhered to.

It should be noted that, as far as possible, employers should treat the Fund's preferred terms on bulk transfers as non-negotiable. Any differences between the value the Fund is prepared to pay (or receive) and that which the other scheme involved is prepared to accept should be dealt with by the employers concerned outside the Fund.

Appendix 4

Bulk transfer circumstances

Bulk transfers from the Fund to non-LGPS Funds

Bulk transfers of active scheme members from LGPS employers to approved non-LGPS schemes typically involve the outsourcing of services to a private sector employer with its own approved scheme under a transfer of undertakings (TUPE) or from the reorganisation of central government services (such as the merger of certain government agencies) where the active scheme members transfer to another public service scheme (e.g. NHS, PCSPS etc.).

Regulation 98 of the Local Government Pension Scheme Regulations 2013 (“The Regulations”) governs the bulk transfer of members’ pension liabilities out of the LGPS to an approved non-LGPS pension arrangement.

Regulation 98 allows for the payment of a bulk transfer value where at least two active members of the LGPS cease scheme membership and join another approved pension arrangement. The transferring and receiving schemes and the employer must agree that a bulk transfer will be made. If there is no agreement, then our understanding is that the standard cash equivalent transfer basis would apply if the active scheme member elected to transfer his or her accrued rights.

The 2003 ODPM Code of Practice on Workforce matters requires that the new employer’s pension scheme allows the employees transferring their accrued rights from the LGPS to do so on a fully protected basis. Our interpretation is that this refers to protection of the benefits (i.e. value of service credits) not the amount of the bulk transfer since no reference is made to the bulk transfer payment having to reflect that fully protected basis.

For any bulk transfer the Fund’s administrators must also obtain members’ consent to be part of the bulk transfer.

The Regulations give the Fund’s actuary discretion as to the calculation of the bulk transfer value. This means that, when paying bulk transfers from the Fund to a non-local-government scheme, it is possible for the calculation to be structured so as to minimise the risk of the transfer value exceeding the share of the Fund assets attributable to the transferring liabilities¹.

Bulk transfers between LGPS Funds within England and Wales: changes in the Fund

Transfers of membership between different LGPS Funds commonly occur when employers within one council area expand into or merge with employers in another council area and/or LGPS Fund.

Regulation 103 of The Regulations governs the bulk transfer of members’ pension liabilities between Funds within England & Wales. Regulation 86 requires a bulk transfer to be agreed between the actuaries to the transferring and receiving scheme where 10 or more members are affected by virtue of a single event.

The Regulations require the actuaries to each Fund to agree on the amount of the bulk transfer payment to be made. If agreement is not reached within 12 months then the matter may be referred to a third actuary chosen by the two actuaries or, if

¹ It is not possible to completely eliminate this risk, for example because the transfer value will be adjusted between the transfer date and the payment date and Cambridgeshire Pension Fund returns may not be available for the full period.

they cannot agree, to an actuary chosen by the President of the Faculty and Institute of Actuaries and his decision will be final.

The active scheme member will be credited with the same period of service in the new Fund as he or she had accrued in the Fund so there is no discretion to award anything other than day-for-day service credits.

Bulk transfers between employers in Fund

Bulk transfers between employers within the Fund may be relatively common. An example of this type of transfer is where a unitary authority transfers control of certain services to another body and the transferring active scheme members are eligible to remain in the Fund. These types of transfers can be broken into two different categories:

- The transferring active scheme members join a new employer in the Fund (e.g. a transferee admission body, community admission body, or even a new scheduled body); or
- The transferring active scheme members join an existing Fund employer.

There are no specific references in the Regulations to the allocation of assets for these types of scenario or any other guidance relating to such transfers. Obviously the ODPM Code of Practice on Workforce Matters and the Fair Deal guidance applies to transfers from local authorities to private contractors within the same Fund.

Transfers in

Bulk transfers into the LGPS can occur for a number of reasons including a national restructuring resulting in the admission of an employer whose employees have LGPS service in another LGPS Fund, where there is a reorganisation of central government operations (transfers in from other government sponsored schemes) or where an outsourced contract ceases and active scheme members (re)join the LGPS from a broadly comparable scheme.

Unlike bulk transfers out of the LGPS, there is no specific provision to allow for bulk transfers into the LGPS. As a result, any service in respect of a transfer value received into the LGPS, whether on the voluntary movement of an individual or the compulsory transfer of a number of employees, must be calculated the same way as individual transfers.

Cambridgeshire Pension Fund Committee/Investment Sub Committee Agenda Plan

Meeting Date	Agenda item	Lead officer
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
	General Code of Practice – TPR expectations [to note]	M Oakensen
	Pension Dashboards Update [to note]	M Whitby
	Effectiveness Review [to note]	M Oakensen
	Anti-Fraud and Corruption Policy [approval]	M Oakensen
	Admission Bodies, Scheme Employers and Bulk Transfer Policy [approval]	C Blose
	CONFIDENTIAL Valuation Update incl multiple investment strategy review	C Blose
	CONFIDENTIAL Cyber Strategy [approval]	M Oakensen
	CONFIDENTIAL Risk Monitoring [standing item]	M Oakensen
	CONFIDENTIAL ACCESS Update [standing item]	M Whitby
February ISC	Stewardship Report	B Barlow
	Current Issues	Mercer
	Use of Derivatives	B Barlow
	Analytics For Climate Transition	B Barlow
	Performance Report	Mercer

	CONFIDENTIAL Cambridge & Counties Bank	B Barlow
	CONFIDENTIAL	B Barlow
March 2025 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
	Internal Audit [to note]	M Whitby
	Annual Business Plan and Medium-Term Strategy [to approve]	M Whitby
	Pension Fund Statement of Accounts incl external audit [to note]	F Coates
	Training Strategy [approval]	M Oakensen
	Payment of Employee and Employer Pension Contributions Policy [pre-scrutiny]	F Coates
	Communication Policy and Plan [approval]	C Blose
	General Code of Practice – best practice [to note]	M Oakensen
	Pension Dashboards Update [to note]	M Whitby
	Risk Strategy – [approval]	M Oakensen
	CONFIDENTIAL Valuation Update [to note]	C Blose
	CONFIDENTIAL Investment Strategy Statement	B Barlow
	CONFIDENTIAL ACCESS Update [standing item]	M Whitby
June 2025 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
	Administering Authority Discretions Policy [approval]	M Whitby
	Data Improvement Policy [approval]	M Whitby
	Dashboard update and Data Matching Policy [approval]	M Whitby
	EEDI Policy & updated plan [approval]	M Oakensen
	CONFIDENTIAL Valuation Update incl Funding Strategy Statement [to note]	C Blose
	CONFIDENTIAL Risk Monitoring [to note]	M Oakensen
	CONFIDENTIAL ACCESS Update [to note]	M Whitby
June 2025 ISC	Stewardship Report	B Barlow
	Performance Report	B Barlow
	Current Issues	B Barlow

