

**CAMBRIDGESHIRE PENSION
FUND**

Agenda Item No:

To: Pension Fund Committee

Meeting date: 20 March 2025

Report by: Mark Whitby - Head of Pensions
mark.whitby@westnorthants.gov.uk

Subject: Cambridgeshire Pension Fund - Business Plan
and Medium-Term Strategy 2025/26

Purpose of the report:

1. To update the Committee on the end-of-year position of the 2024/25 Business Plan and cyber activities.
2. To present to the Pension Committee the Cambridgeshire Pension Fund Business Plan and Medium-Term Strategy 2025/26.
3. To provide the Committee with the 2025/26 Climate Action Plan.

Recommendations:

The Pension Committee is asked to:

- a) note the status of the 2024/25 year-end Business Plan activities (section 2.1-2.5 and Appendix 1).
- b) note the year-end position of the cyber action plan (section 2.6 & Appendix 2 exempt).
- c) approve the contents of the Business Plan and Medium-Term Strategy 2025/26 and associated budget, including the 2024/25 year-end financial position and revised objectives for the Fund (section 3.1-3.7 & Appendices 3 and 4).
- d) note the 2025/26 Climate action plan (section 3.6 and Appendix 5).

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

1. Background

- 1.1 It is considered good governance for the Cambridgeshire Pension Fund to adopt a Business Plan and Medium-Term Strategy that:
- Sets out the objectives of the administering authority with regards to the management of the Fund.
 - Documents the priorities and improvements to be implemented during the next three years to help achieve those objectives.
 - Enables progress and performance to be monitored in relation to those priorities; and
 - Provides a clear vision for the next three years.
- 1.2 The proposed Business Plan and Medium-Term Strategy for the Cambridgeshire Pension Fund for the period 2025/26 to 2027/28 is in Appendix 3.

2. Update on the 2024/25 Business Plan

- 2.1 The Business Plan activities from the 2024/25 financial year have been reviewed with a year-end position being established. The majority of activities have achieved a 'green' RAG status whereby the activity is either completed or it was pre-determined that the activity would be completed after March 2025.

- 2.2 There were three exceptions where the RAG status was 'amber' in the following areas:

Processing of undecided leaver records.

Whilst progress within the 2024/25 year had been positive, processing of undecided leaver records remained at amber due to the conflicting project priorities within the Service.

McCloud remedy rectification.

McCloud remedy rectification is rated amber due to the complexity of the project combined with late issuance of statutory guidance.

Investment Consultant Contract

The Investment consultancy activity has been temporarily paused due to the investment advisory proposals contained within the "Fit for the Future" consultation, which may require funds to obtain principal investment advice from their Pool.

- 2.3 These activities have transferred to the 2025/26 Business Plan for resolution.
- 2.4 In addition, the best practice recommendations of the good governance review could not progress on a national level as the standards have not been issued. This activity has therefore also transferred to the 2025/26 Business Plan.

- 2.5 The procurements within the 2024/25 Business Plan were all concluded, and the outcomes were as follows:

Procurement	Award	Start date
Procure an Integrated Service Provider (ISP).	Heywood Limited.	1 October 2024 – 30 September 2030.
Extend the contract with the current supplier of address and mortality screening services and have a new solution in place from 1 April 2025.	Accurate Data Services.	June 2024 – 31 March 2025 (short term contract) 1 April 2025 – 31 March 2028.

- 2.6 Details of the year-end position of all the activities and actions that are being carried over can be located in appendix 1 and the Cyber Resilience Action Plan can be located in appendix 2.
- 2.7 The financial forecast for end-of-year position for 2024-25 is included within the 2025/26 Business Plan in Appendix 3. Total Administration Expenses are forecast to be £3.398m against a budget of £3.546m, mainly due to the Fund receiving more interest than expected on cash holdings (under “Other non-pay and income”). Higher than budgeted governance (e.g. consultancy spend) and investment management expenses contributed to Total Management Expenses being forecast as £5.980m versus a budget of £5.903m.

3. Business plan and Medium-Term Strategy 2024/25

- 3.1 The Business Plan and Medium-Term Strategy concentrates on activities that are not considered business as usual, identifying key milestones and budget requirements. It is split into the following core areas:
- Procurement of services
 - Core governance activities
 - Scheme member and data projects
 - Investment related activities
 - Scheme employer projects
- 3.2 Estimated costs for the activities in appendix 3 have been detailed alongside the activity and within the financial forecasting for the relevant years. Where further costs become known during the course of the new financial year these will be notified to the Committee via the Business Plan Update report.
- 3.3 With the increasing complexities of the Scheme, increase in workflow and the requirements of significant projects such as McCloud and Pension Dashboards it is becoming more challenging to administer the Fund (over 99,000 member records and over 300 contributing employers as at March 2024) in a compliant and timely manner.

The priority areas for the year include:

- Pension Dashboards.
- McCloud Remedy Rectification.
- 2025 Valuation.
- Engage member self-service portal upgrade.
- Compliance with the General Code of Practice.
- Support the build of the ACCESS FCA regulated entity.

- 3.4 Progress made against the Business Plan will continue to be reported to the Committee at each meeting via the Business Plan Update report or other relevant report (where appropriate). Where progress against the Business Plan has fallen behind schedule further detail will be provided.
- 3.5 The Fund objectives have been reviewed in line with Business Plan proposal and amended to ensure they are concise, succinct and allocated to the correct management area (governance, funding, investment, administration and communication).
- 3.6 Two additional posts have been incorporated within the Operations area, one Pensions Officer to support the retirements team and one Pensions Support Clerk/Apprentice to provide general support. The requirement of these posts is to alleviate pressure on the team due to a material increase in casework.
- 3.7 The inclusion of the posts increases the total establishment to 95.65, with approximately 48 FTE posts being attributed to the administration of the Cambridgeshire Pension Fund.
- 3.8 The Climate Action Plan for 2025/26 is located at appendix 5 and will be also published on the Fund's website.

4. Relevant Fund Objectives

To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
To continually monitor and measure clearly articulated objectives through business planning.
Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.

5. Finance & Resources Implications

- 5.1 Performance against the financial estimates in the Business Plan will be presented to the Pension Committee each meeting. The Business Plan sets out the cost of each activity where known or where costs become known during the course of the year, the Pension Committee will be updated accordingly.

- 5.2 The additional posts will be funded equally between the Cambridgeshire and Northamptonshire Pension Funds.

6. Risk Management

- 6.1 The Committee approves the Annual Business Plan and Medium-Term Strategy every March for the upcoming year. The plan highlights the key activities of the Fund and the progress of these activities are reported through the Business Plan Update reports provided to the Committee and Pension Fund Board at every meeting.
- 6.2 The risks associated with failing to monitor progress made against the Business Plan and Medium-Term Strategy have been captured in the Fund's risk register as detailed below.

Risk	Residual risk rating
Those charged with governance are unable to fulfil their responsibilities effectively.	Green
Pension Fund objectives are not defined and agreed.	Green
Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green

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

7. Legal Implications

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

8. Consultation with Key Advisers

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

9. Alternative Options Considered

- 9.1 Not applicable.

10. Background Papers

- 10.1 Not applicable

.

11. Appendices

- 11.1 Appendix 1 - Year-end status of Business Plan activities for 2024/25.
EXEMPT Appendix 2 - Year-end progress against cyber activities for 2024/25
Appendix 3 - Cambridgeshire Pension Fund Business Plan and Medium-Term Strategy 2025/26 to 2027/28.
Appendix 4 - Current pension Fund objectives.
Appendix 5 - Climate Action Plan 2025/26.

12. Accessibility

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