

# PENSION FUND COMMITTEE



**Friday, 10 June 2022**

**Democratic and Members' Services**

Fiona McMillan  
Monitoring Officer

**10:00**

New Shire Hall  
Alconbury Weald  
Huntingdon  
PE28 4YE

**Multi-Function room New Shire Hall PE28 4YE**  
**[Venue Address]**

## **AGENDA**

**Open to Public and Press**

- 1. Notification of Chair and Vice Chair**  
verbal item
- 2. Apologies for absence and declarations of interest**  
*Guidance on declaring interests is available at*  
<http://tinyurl.com/ccc-conduct-code>
- 3. Public minutes of the Pension Fund Committee held 24 March 2022 and Action Log** **5 - 16**
- 4. Public Questions**
- 5. Administration Performance Report** **17 - 28**
- 6. Governance and Compliance report** **29 - 34**
- 7. Employer Admissions and Cessations report** **35 - 38**

- |     |   |         |
|-----|---|---------|
| 8.  | <b>Administering Authority Discretions Policy</b>   | 39 - 56 |
| 9.  | <b>Data Improvement Strategy and Plan</b>   | 57 - 70 |
| 10. | <b>Committee Agenda Plan</b>  | 71 - 74 |
| 11. | <b>Exclusion of Press and Public</b><br><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, and that it would not be in the public interest for this information to be disclosed information relating to any particular person (including the authority holding that information)</i> |         |
| 12. | <b>Managed exit of Friends Therapeutic Community Trust</b> <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |         |
| 13. | <b>Valuation of the Fund</b> <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |         |
| 14. | <b>Cyber Strategy Update</b> <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |         |
| 15. | <b>Cambridgeshire Pension Fund Risk Register</b> <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |         |
| 16. | <b>ACCESS Update</b> <ul style="list-style-type: none"> <li>• Information relating to the financial or business affairs of any particular person (including the authority holding that information);</li> </ul>   |         |

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

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

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

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

The Pension Fund Committee comprises the following members:

Councillor Alison Whelan (Chair) Councillor Catherine Rae (Vice-Chair) Councillor Chris Boden Councillor Andy Coles Mr Lee Phanco Mr Matthew Pink and Mr John Walker Councillor Adela Costello Councillor Edna Murphy Councillor Keith Prentice Councillor Alan Sharp

|                  |                                 |
|------------------|---------------------------------|
| Clerk Name:      | Dawn Cave                       |
| Clerk Telephone: | 01223 699178                    |
| Clerk Email:     | dawn.cave@cambridgeshire.gov.uk |



## Minutes of the Pension Fund Committee

Date: 24<sup>th</sup> March 2022

Time: 10:00am – 12:05pm

Venue: New Shire Hall, Alconbury Weald

Present: County Councillors I Gardener, E Murphy, C Rae (Vice-Chair), J Schumann, A Sharp, A Whelan (Chair); Peterborough City Councillor A Coles; Lee Phanco, Matthew Pink and John Walker

Officers: C Blose, D Cave, S Heywood (attended virtually), J Kent (attended virtually), M Oakensen and M Whitby

Advisors: D Green (Hymans)

At the invitation of the Chair, the Head of Pensions gave an update on the Pension Fund, in relation to the Ukraine War. He acknowledged that it was difficult to talk about pension fund matters when there was real human tragedy unfolding, but he recognised that the Committee would be interested in whether there were any Russian holdings within the Fund.

In terms of market exposure, the Cambridgeshire Fund had a total of around £3.3M of its £4.2billion Fund invested directly in Russia, or approximately 0.08% of assets. Most of this was one single stockholding in the Dodge & Cox actively managed fund, and was invested in a domestic retailer. There were also a number of small, isolated holdings included in this £3.3M. In terms of passive equity, Russia had been removed from all indices. Despite the war and consequent volatility in markets, there had not been any significant fluctuations to the Fund as a result.

It was noted that there were some indirect exposures to Russian markets, i.e. some companies which the Fund invested in would have income from Russian markets, although many of these were looking to divest e.g. Shell. Other potential impacts of the War would be picked up under the Cyber Strategy and Valuation items later in the meeting.

The Chair commented that many people were still in shock about the War, and sent best wishes to the people of Ukraine, and hoped that the conflict would be over shortly.

A Member observed that in relation to the imponderables i.e. indirect exposures, these were more difficult to identify as they become further removed from the initial investments, and he asked whether this would become more transparent going

forward? Officers agreed that these type of indirect exposures were more difficult to identify, the further removed they were. However, asset managers were focusing on this issue and becoming more astute at identifying income sources. LINK had been particularly helpful with regard to those assets invested in through ACCESS, and more detail would emerge.

### 36. Apologies for absence and declarations of Interest

There were no apologies for absence.

Cllr Coles declared an interest as he was the beneficiary of a family pension.

John Walker declared a personal interest (i) as a retired member of the Local Government Pension Scheme (LGPS), (ii) his son and daughter-in-law were deferred Members of the LGPS.

Matthew Pink declared a personal interest as both he and his wife were active members of the Local Government Pension Scheme (LGPS).

### 37. Public minutes of the Pension Fund Committee meeting held 13<sup>th</sup> December 2021 and Action Log

The minutes of the Pension Fund Committee meeting held on 13<sup>th</sup> December 2021 were approved as a correct record.

The Action Log was noted.

### 38. Petitions and Public Questions

There were no petitions or public questions.

### 39. Administration Performance Report

The Committee considered a report which set out a number of key areas of administration performance in the period 1<sup>st</sup> October 2021 to 31<sup>st</sup> January 2022.

Members' attention was drawn to the following areas:

- The Key Performance Indicators (KPIs) detailed in Appendix 1 to the report. All KPIs had achieved their targets;

- Employer/employee contributions were detailed in Appendix 2. From April to January, 99.5% had been submitted on target;
- Issues in relation of breaches of law and Internal Dispute Resolution Procedure, specifically the reasons for some delays in Stage 2 disputes, and updates were provided on some of those cases;

Arising from the report:

- Noting that all KPI targets had been met, a Member asked whether this was sufficient, observing that those cases which had not been addressed within the timescales, although there may be few of them, could be critical for the scheme members involved. Officers advised that in the reporting period, only three cases from approximately 200 active retirements had been dealt with outside the period. She reassured the Member that a close eye was kept on performance and numerous safeguards were in place to protect scheme members, and continuity of income for members was paramount. Generally errors arose because of, for example, an error in an individual calculation, rather than a systemic error;
- In relation to late payments, a Member asked if there was any link between employers paying late, and their ability to pay, and whether there were any implications for the Risk Register? Officers advised that they did not consider this to be a systemic problem, and observed that it was the same employer group so most likely related to a particular payroll issue. The small number of late payments did not impact on the overall Fund and were followed up.

It was unanimously resolved to note the Administration Performance report.

#### 40. Pension Fund Annual Business Plan Update report 2021-22

The Committee considered an update to the Business Plan up to the end of the financial year. Members noted progress made against key activities, including:

- various procurements, including contracts for actuarial, benefits and governance consultancy services, and specialist pensions legal services;
- PASA (Pensions Administration Standards Association) was not being pursued due to other resource intensive commitments, including various government initiatives and the McCloud age discrimination remedy;
- A number of projects including the Pension Regulator's revised code of practice, the Guaranteed Minimum Pension (GMP) rectification and McCloud, were being partially carried forward;

- Preparation for the 2022 Valuation of the Pension Fund was a key project, and the 2021/22 activities had all been completed, specifically obtaining data from scheme employers. There were some outstanding cases of undecided leaver records which would be transferred to the 2022/2023 Business Plan, and for which additional resource had been identified. Around 2,000-2,500 undecided leavers were being targeted to be dealt with per annum, and staffing turnover has resulted in delays on some of this project activity;
- The variances against the forecast of investments and administration expenses, and the reasons behind these, with the Staff variance largely offset by the Altair (software) additional modules.

In response to a Member question, officers explained that the Fund had recently undertaken customer service excellence (CSE) accreditation annually. The potential benefits of PASA accreditation were outlined, but due to the improved customer journeys as a result of CSE, PASA would be reconsidered at a future date and more pressing priorities managed over the short to medium term.

In response to a query on the £489,000 County Council overhead recovery, officers explained this related to all back-office systems, such as Payroll and IT, and other services provided to the Fund by both West Northamptonshire and Cambridgeshire County Councils. Those costs were split between the two Funds. Officers advised that there was an ambition to review this in detail, but that exercise would probably not be undertaken until 2023-24.

It was resolved unanimously to:

- 1) note the Business Plan Update to the end of the financial year
- 2) approve the extension of the benefits and governance contract by a period of 6 months (paragraph 3.3.3 of the report)
- 3) approve the extension of the specialist legal services contract by a period of 12 months (paragraph 4.1.3 of the report)

#### 41. Pension Fund Annual Business Plan and Medium-Term Strategy 2022/23 to 2024/25

Members considered the proposed Annual Business Plan and Medium-Term Strategy which detailed the Fund's key areas of activity over the period 2022/23 to 2024/25.



A new core governance activity was preparation for the implementation of Pension Dashboards. This had been set out as a commitment in the government's 2016 Budget, and the DWP had recently issued a consultation proposing a staging deadline of the end of April 2024 for LGPS Funds to go live. However, this implementation date was ambitious and likely to be challenged.

In terms of the Pensions Service structure, there was a new management role, merging Investments and Accounting responsibilities, and a new Systems and Projects Manager role to help manage the considerable volume of project work, and also take some of the project work from the Governance and Compliance Manager.

A Member asked why governance expenses, listed under Management Expenses, rose from a forecast £701,000 in 2021/22, to £900,000 in 2022/23, reducing down to £750,000 in the following years. Officers explained that the increase in 2022/23 was mainly due to the actuarial valuation, with an additional £100K+ being budgeted to deal with that activity in the Valuation year.

A Member observed that total Administration expenses increased by almost £140,000 in the same year. Officers confirmed that some of this was staff related. Additional posts had been added in to the establishment but had had a higher than expected vacancy factor.

A Member observed that the impressive Key Performance Indicators suggested that the staffing structure may already be the most appropriate one. Officers advised that he had been informally running the proposed structure over 2021/22, and he believed that the resources identified were correct to deal with the Medium Term Plan. There had been particular issues in dealing with project work, and hopefully the staffing structure should address these.

With regard to the Risk Register, a Member noted that the main risks was employers unable to pay. She asked for examples of the type of events that would lead to that, as those type of events could impact on other elements of the Risk Register. Officers advised that this was one of hardest risks to quantify, as the reality was that if an employer could not pay, it was likely to be a very small employer with little material impact on Fund. However, he acknowledged that there was always, in theory, a risk it could be a larger employer, but this was unlikely. They also advised that the highest risk was following the valuation year, when contribution rates changed, but this should be addressed during the consultation period with employers, and payment plans were an option if this was likely to be an issue. In respect of unexpected shocks such as Covid, officers explained the measures available to employers who may be struggling to meet contributions, and how employers were assessed. For the pandemic, for example, only three employers across both Cambridgeshire and Northamptonshire Funds had opted to take a payment holiday. A Member suggested that officers consider scenarios where employers may struggle to pay and how those situations would be dealt with.

A Member suggested that future reports should give percentages as well as actual amounts for expenses. He observed that staff expenses appeared to be increasing by around 2% pa, whereas overhead recovery was about 5% pa. Officers explained why overhead recovery had been reviewed upwards recently, to address previous shortfalls due to underestimates. The overhead costs had been reviewed with the Section 151 Officer and considered to be fair. In future, percentages may change, depending on the outcome of the overheads review.

It was resolved unanimously to approve the Business Plan and Medium-Term Strategy.

## 42. Governance and Compliance Report

Members received a report on governance issues concerning the Local Government Pension Scheme (LGPS) on a national and local basis, and also details of forthcoming training events.

The Committee noted:

- the latest statistics from the Department for Levelling Up, Housing and Communities (DLUHC) statistics for 2020/21, which stated the market value of the 85 LGPS Funds at 31/03/21 was £337.1bn;
- that it has now been agreed that scheme member representatives from Local Pension Boards would be allowed to attend meetings of the Joint Committee in an observer only role, in line with Scheme Advisory Board advice;
- Increased emphasis from the Pensions Regulator on reporting suspected pension scams, and new legislation which would make it more difficult for scheme members to transfer out in certain circumstances, again designed to avoid pension scams;
- Some of the Skills and Knowledge courses would no longer be available after 31/03/22, and the Chair strongly encouraged anyone who had not completed the training to do so.

It was resolved unanimously to note the content of the report.

## 43. Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy Review

The Committee considered proposed changes to the Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy. This was second review of policy that was originally approved in 2017.

Members noted:

- The Policy now also applied to officers of the Fund;
- The detection and prevention of fraud and corruption had been split into activities and triggers, e.g. triggers such as mortality rate increases;
- Address tracing for members residing in the UK has been removed. This was previously done in bulk, but a more targeted approach would now be taken e.g. for those members due to retire that the Fund has lost contact with.

Arising from the report, Members:

- Commented that it was unclear from the report presented exactly what had changed. Officers commented that the usual “Track Changes” approach had proved to be unsatisfactory in this case, but they would endeavour to make it clearer in future;
- Commented that this was a very important policy, and stressed the importance of linking this to the current cyber security work, especially as the risks arising from cyber fraud were increasing;
- Asked about current threats, specifically areas causing the most work or concern with regard to security. Officers advised that the website was actively monitored for attacks, but there had been none in the previous twelve months. More information would be provided under the later agenda item on the Cyber Strategy;
- Suggested that the Policy should include a link to the Whistleblowing Policy.

It was resolved unanimously to:

approve the revised Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy.

#### 44. Pension Fund Communications Plan 2022-23

Members considered the proposed Communications Plan for the 2022/23 Scheme year.

It was noted that the reference to a website review was purely an appraisal of the current website, rather than an active process to revise or change the current website. The website was currently hosted over two servers, and the intention was to host it on just one server in future.

The proposed “Life stage” communications would target specific stages such as retirement planning for the over 50s. It was noted that the Member Surveys were targeting scheme members after interactions, in the same way as banks and other commercial enterprises.

It was resolved unanimously to approve the Fund's Communication Plan for 2022/23.

#### 45. Employer Admissions and Cessations report

The Committee received a report on the admission of two admission bodies and the cessation of six bodies.

Members noted the issues around admissions, which related to school cleaning and catering companies. It was also noted that the liabilities for the cessations would be retained by the letting employers, i.e. there were no exit payments.

It was resolved unanimously to:

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

- Easy Clean Contractors Limited
- Lunchtime Company Limited x 5

2. Note the cessation of the following bodies from the Cambridgeshire Pension Fund:

- ABM Catering Limited
- Clean Slate Limited
- Compass Contract Service (U.K.) Limited
- Easy Clean Contractors Limited
- Nourish Contract Catering Limited
- Romsey Mill Trust

#### 46. Exclusion of Press and Public

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

#### 47. Cyber Strategy Update

The Committee considered an update on progress against the Cyber Strategy Action Plan, which had been agreed at the September meeting of the Committee.

It was resolved unanimously to:

- 1) Note the progress made against the action plan (appendix 1 to the report).

48. ACCESS Update

The Committee considered a report on ACCESS Asset Pooling.

It was resolved unanimously to note the report.

49. Valuation of the Pension Fund

Douglas Green of Hymans Robertson, the Fund's Actuary, gave an update on the valuation process for the Pension Fund.

It was resolved unanimously to:

Approve the financial and demographic assumptions to be used for the Pension Fund Valuation as set out in Sections 3 and 4 of the report respectively.



This log captures the actions from the Pension Fund Committee of the 24 March 2022 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 27 May 2022.

Outstanding actions from 24 March 2022 meeting of the Pension Fund Committee

| Item No. | Item  | Action to be taken by | Issue   | Action/Status |
|----------|---|-----------------------|---|---------------|
| 43       | Cambridgeshire Pension Fund Anti-Fraud and Corruption Policy Review | Michelle Oakensen     | To include a link to the Whistleblowing Policy. | Completed     |

Outstanding actions from 22 July 2021 meeting of the Pension Fund Committee

| Item No. | Item                             | Action to be taken by | Issue  | Action/Status  |
|----------|----------------------------------|-----------------------|--|--|
| 7.       | Governance and Compliance Report | Michelle Oakensen     | Whilst appreciating that the detailed guidance was not yet available, a member asked if pension scheme members were aware yet of the changes taking place as a result of the Pension Schemes Act 2021, particularly in regard to transfers out. Officers commented that it was still early days, but they would come back to the Committee on this matter. | Completed. The appropriate checks have been applied to the transfer out process in regard to the Pensions Schemes Act 2021. Progress with the Pensions Dashboard will continue to be delivered via the Governance and Compliance Statement. Climate reporting will be in the investment consultation due to launch in the summer/autumn and the Committee will be updated accordingly. |





# Cambridgeshire Pension Fund

Pension Fund Committee

10 June 2022

Report by: Head of Pensions

Subject: Administration Performance Report

Purpose of the Report: To present the Administration Performance Report to the Pension Fund Committee

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

Enquiries to: Jo Kent, Governance and Regulations Manager  
[joanne.kent@westnorthants.gov.uk](mailto:joanne.kent@westnorthants.gov.uk)

## 1. Background

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

## 2. Key Performance Indicators – Pensions Service

- 2.1 The Pension Fund Committee has previously agreed a set of key performance indicators (KPIs) to assess the performance of the Pensions Service.
- 2.2 Full KPI details for the period 1 February to 30 April 2022 can be found in appendix 1.
- 2.3 Over the 3-month period service performance has been consistently good with all targets being met with the exception of two.
- 2.4 In March, the performance was marginally below target for providing a maximum of one estimate of benefits to employees per year on request due to training issues and notifications not being sent out on time. Going forward all notifications in relation to this area of work will be issued by the person checking the estimate.
- 2.5 In April, the performance was below target for processing transfer out payments due to performance issues within the team. Going forward there will be increased monitoring of casework within the team to ensure all actions are processed on time.

### 3. Receipt of Employee and Employer Contributions

- 3.1 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. They must also provide an associated monthly statement/schedule in a format acceptable to the Administering Authority.
- 3.2 The table in appendix 2 shows the percentage of employers in the Cambridgeshire Pension Fund who paid their employee and employer contributions and/or submitted their schedules on time or late for the period 1 April 2021 to 31 March 2022.
- 3.3 For January 2022 99.6% of contributions were paid on time, for February 99.6% and for March 99.3%. The current yearly average for payments made on time is 99.4% and schedules being received on time is 99.6%.

### 4. Breaches of the Law

- 4.1 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.
- 4.2 For the period 1 February to 30 April 2022, the following breaches occurred:

| Type of Breach        | Detail of Breach  | Course of action  |
|-----------------------|---|---|
| Material Breaches     | None  | None  |
| Non Material Breaches | 3 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. |

### 5. Internal Dispute Resolution Procedure

- 5.1 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.
- 5.2 Disputes that are upheld at stage 1 may still progress to stage two if the scheme member or their representative remains unsatisfied with the overall outcome. The outcome may not fully meet the complainant's expectations – particularly if their perception is that their financial loss was greater than any compensation awarded, or the level of non-financial injustice award was not consistent with their expectation.
- 5.3 The following table details that activity undertaken during the period 1 February to 30 April 2022 with regards to administering authority disputes.

| Nature of dispute  | Stage 1 (Head of Pensions)         | Stage 2 (Cambridgeshire County Council Monitoring Officer)   |
|--|------------------------------------|--|
| Issues with membership records, providing inconsistent details and delays in response.   | Upheld (2 July 2021).              | Received 13 October 2021.<br>Deadline for response extended to 12 April 2022.<br>Further extension issued to 10 May 2022.      |
| Seeking reinstatement/compensation for deferred pension being transferred to an overseas pension scheme in 2015  | Not upheld (2 March 2021).         | Received 28 August 2021.<br>Deadline for response extended to 12 April 2022.<br>Further extension issued to 10 May 2022.       |
| Length of time to finalise early payment of benefits on ill health grounds for a terminally ill deferred member and other issues regarding payment of benefits | Partially upheld (17 August 2021). | Received 27 September 2021.<br>Deadline for response extended to 20 December 2021.<br>Outcome – partially upheld 9 March 2022. |
| Delay in provision of deferred benefit details that may inhibit opportunity to transfer out  | Partially upheld (3 May 2022).     |  |
| The value of the pension credit resulting from a pension sharing on divorce order is less than was previously estimated  | Partially upheld (4 May 2022).     |  |

## 6. Material Data Breaches

- 6.1 At the beginning of April a data breach involving 145 scheme members occurred. A bulk print job of leaver letters were inadvertently printed double sided so the recipient would have received their own details along with another scheme member's details (name, address, job title and redacted national insurance number). The error was identified quickly, and Cambridgeshire County Council's data breach guidelines were followed. All 157 scheme members have been written to apologising for the error. The member of staff involved in the breach has repeated the Council's training on data protection and additional safeguards have been introduced to prevent this type of data breach from occurring again.

## 7. Significant overpayments of pension

- 7.1 In January 2022 officers were notified of a death of a pensioner that occurred in March 2021. The pensioner was overseas at the time of death and the Funds mortality screening exercises do not cover deaths that occur overseas. Proof of existence exercises are undertaken every year for pensioners who reside overseas, however in this case the members resident address was in the UK. In these cases, officers rely on the next of kin/executor to notify the service to be able to suspend the pension at the earliest opportunity to avoid significant overpayments occurring.

- 7.2 The overpayment only related to 10 months but amounted to a net overpayment of £14,103.69 due to the delay in notification. The overpayment amount was confirmed by payroll and recovery of this overpayment will be pursued against the estate and the executor has been advised.

## 8. 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. *Objective 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*

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. *Objective 3*

Continually monitor and measure clearly articulated objectives through business planning *Objective 4*

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

Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. *Objective 8*

Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. *Objective 10*

## 9. Risk Management

- 9.1 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.
- 9.2 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

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

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

## 10. Communication Implications

[Direct communications](#) The Fund publishes performance against the key performance indicators in the regular reports to the Pension Fund Committee and Pension Fund Board and in the Fund's Annual Report.

Employers of the Fund are guided through the admission process and directly kept up to date with requirements and progress.

Members who enter the Internal Dispute Resolution Procedure are kept informed of progress within the statutory timescales.

## 11. Finance & Resources Implications

- 11.1 The Fund is seeking recovery of the overpayment as detailed in section 7 of the report in order to mitigate any impact on the Fund or scheme employers.

## 12. Legal Implications

- 12.1 Legal advice was sought from the Fund's advisors in relation to the Internal Dispute Resolution Procedure as referenced in section 6.

## 13. Consultation with Key Advisers

- 13.1 Consultation with the Fund's advisors was not required for this report.

## 14. Alternative Options Considered

- 14.1 Not applicable

## 15. Background Papers

- 15.1 Not applicable

## 16. Appendices

- 16.1 Appendix 1 Key Performance Indicators – Pensions Service
- 16.2 Appendix 2 Receipt of Employee and Employer Contributions
- 16.3 Appendix 3 Late payment of employer contributions (**exempt**)

## Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 27 May 2022

Has this report been cleared by Head of Pensions? Mark Whitby – 12 May 2022

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 27 May 2022

Has this report been cleared by Legal Services? Amy Brown – 23 May 2022

# Appendix 1 - Key Performance Indicators – Pensions Service February, March and April 2022

| Function/Task   | Indicator  | Target | Month                      | Completed         | Within Target     | Over Target | % Within Target  | RAG                     | Comments  |
|---|--|--------|----------------------------|-------------------|-------------------|-------------|------------------|-------------------------|---|
| Notify leavers of deferred benefit entitlement  | Notify leavers of deferred benefit entitlements or concurrent amalgamation within 15 working days of receiving all relevant information.                                     | 90%    | February<br>March<br>April | 149<br>195<br>157 | 148<br>192<br>153 | 1<br>3<br>4 | 99<br>98<br>97   | Green<br>Green<br>Green | SLA target met<br>SLA target met<br>SLA target met      |
| Payment of retirement benefits from active employment   | Notify employees retiring from active membership of benefits award, from date payable or date of receiving all necessary information if later within 5 working days.         | 95%    | February<br>March<br>April | 40<br>50<br>36    | 40<br>48<br>36    | 0<br>2<br>0 | 100<br>96<br>100 | Green<br>Green<br>Green | SLA target met<br>SLA target met<br>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%    | February<br>March<br>April | 51<br>73<br>60    | 47<br>67<br>57    | 4<br>6<br>3 | 92<br>92<br>95   | Green<br>Green<br>Green | SLA target met<br>SLA target met<br>SLA target met      |
| Award dependant benefits – <b>Statutory</b>   | Issue award within 5 working days of receiving all necessary information.  | 95%    | February<br>March<br>April | 15<br>36<br>34    | 15<br>35<br>34    | 0<br>1<br>0 | 100<br>97<br>100 | Green<br>Green<br>Green | SLA target met<br>SLA target met<br>SLA target met      |
| Provide a maximum of one estimate of benefits to employees per year on request – <b>Statutory</b> | Estimate in agreed format provided within 10 working days from receipt of all information.   | 90%    | February<br>March<br>April | 59<br>55<br>40    | 55<br>49<br>40    | 4<br>6<br>0 | 93<br>89<br>100  | Green<br>Amber<br>Green | SLA target met<br>SLA target not met*<br>SLA target met |

|  |   |     |          |    |    |   |     |       |                      |
|--|---|-----|----------|----|----|---|-----|-------|----------------------|
| Provide transfer-in quote to scheme member –<br><b>Statutory</b> | Letter issued within 10 working days of receipt of all appropriate information.   | 95% | February | 45 | 45 | 0 | 100 | Green | SLA target met       |
|  |   |     | March    | 39 | 39 | 0 | 100 | Green | SLA target met       |
|  |   |     | April    | 15 | 15 | 0 | 100 | Green | SLA target met       |
|  |   |     |          |    |    |   |     |       |                      |
| Payment of transfer out –<br><b>Statutory</b>                    | Process transfer out payment – letter issued within 10 working days of receipt of all information needed to calculate transfer out payment. | 90% | February | 10 | 10 | 0 | 100 | Green | SLA target met       |
|  |   |     | March    | 24 | 24 | 0 | 100 | Green | SLA target met       |
|  |   |     | April    | 24 | 20 | 4 | 83  | Amber | SLA target not met** |
|  |   |     |          |    |    |   |     |       |                      |

\* Provide a maximum of one estimate of benefits to employees per year on request – March target marginally missed in this area due to training issues and notifications not being sent out on time. Going forward all notifications in relation to this area of work will be issued by the person checking the estimate.

\*\* Payment of transfer out – April target missed due to performance issues within the team, there will be closer monitoring of outstanding casework within the team going forward.

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

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

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







## Appendix 2 - Receipt of Employee and Employer Contributions

| Month/Year         | %<br>of Employers Paid on<br>Time | %<br>of Employers Paid Late | %<br>of Employers that<br>Submitted Schedule on<br>Time | %<br>of Employers that<br>Submitted Schedule<br>Late |
|--------------------|-----------------------------------|-----------------------------|---|--|
| April 2021         | 99.2                              | 0.8                         | 99.6  | 0.4  |
| May 2021           | 99.8                              | 0.2                         | 99.8  | 0.2  |
| June 2021          | 99.8                              | 0.2                         | 99.8  | 0.2  |
| July 2021          | 98.6                              | 1.4                         | 98.6  | 1.4  |
| August 2021        | 100                               | 0                           | 99.8  | 0.2  |
| September 2021     | 99.6                              | 0.4                         | 99.8  | 0.2  |
| October 2021       | 99.2                              | 0.8                         | 99.8  | 0.2  |
| November 2021      | 99.2                              | 0.8                         | 100   | 0  |
| December 2021      | 98.8                              | 1.2                         | 99.2  | 0.8  |
| January 2022       | 99.6                              | 0.4                         | 99.4  | 0.6  |
| February 2022      | 99.6                              | 0.4                         | 99.6  | 0.4  |
| March 2022         | 99.3                              | 0.7                         | 99.8  | 0.2  |
| Average for period | 99.4                              | 0.6                         | 99.6  | 0.4  |



Cambridgeshire  
Pension Fund

Pension Fund Committee

10 June 2022

Report by: Head of Pensions

Subject: Governance and Compliance Report

Purpose of the Report: To provide the Pension Fund Committee with information on:

1. Department for Work and Pensions – Consultation on draft Pensions Dashboards Regulations 2022
2. Fund policy/strategy updates
3. Skills and knowledge opportunities

Recommendations: The Pension Fund Committee are asked to note the Governance and Compliance Report

Enquiries to: Jo Kent, Governance and Regulations Manager  
[joanne.kent@westnorthants.gov.uk](mailto:joanne.kent@westnorthants.gov.uk)

## 1. Background

1.1 This is a standing report that identifies issues concerning the governance of the Local Government Pension Scheme (LGPS) and potential, new, amending and overriding legislation that will have an impact on how the Scheme is managed and on members' benefits.

## 2. Department for Work and Pensions (DWP)

### 2.1 Draft Pensions Dashboards Regulations 2022 Consultation

2.1.1 On 31 January 2022 the DWP published a consultation on the draft Pensions Dashboards Regulations. The consultation closed on 13 March 2022.

2.1.2 Pensions dashboards will allow individuals to see information about all their pensions, including the State Pension, in one place. These draft regulations set the requirements to be met to deliver this and will place a legal duty on pension providers to provide information to the dashboards.

- 2.1.3 The consultation proposes a staging deadline of the end of April 2024 for public service pension schemes, including the LGPS. This means that LGPS administering authorities will need to be able to connect to the digital architecture by this date and be ready to provide scheme member data to them via the dashboards.
- 2.1.4 The Local Government Pensions Committee responded to consultation stating that it is their view that the LGPS will not be able to connect and meet its statutory duties by the proposed connection deadline of April 2024 for the following reasons:
- The value data required goes beyond what LGPS administering authorities must currently provide
  - LGPS administering authorities will already be under significant pressure at the time because of implementing the McCloud remedy
  - The proposed response times for value data mean that funds will need to collect and validate data on a monthly basis (whilst the Cambridgeshire Pension Fund collects data on a monthly basis, not all other LGPS Funds will).
  - Recruitment and retention of suitably skilled staff remains a barrier
  - A number of other technical issues that are unique to the LGPS.
- 2.1.5 The LGPC response to the consultation can be found in full [here](#). The Local Pension Board will be kept up to date with developments regarding the Pensions Dashboard.

## 2.2 Fund Policy/Strategy Updates

- 2.2.1 Officers have reviewed the Fund's Payment of Employee and Employer Contributions Policy and only non-material changes were made to the policy such as updating job titles and the removal of reference to LGSS. The revised policy can be found on the Fund's website [here](#).
- 2.2.2 A revised Data Improvement Strategy and Plan is being considered under a separate agenda item at this meeting.

## 2.3 Skills and knowledge opportunities

- 2.3.1 The Public Services Pensions Act 2013 and the Pensions Regulator's Code of Practice (Governance and administration of public service pension schemes) require all members of the Pension Fund Committee to maintain the necessary skills and knowledge to undertake their role effectively.
- 2.4.2 In order to facilitate the acquisition of skills and knowledge for members of the Pension Fund Committee, appendix 1 lists the main events that are deemed useful and appropriate.

- 2.4.3 If members of the Pension Fund Committee would like to attend any of the events listed in appendix 1, please contact a member of the Fund's governance team who will make the necessary arrangements if an invitation has not already been sent.

### 3. Relevant Pension Fund Objectives

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

Objective 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

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. Objective 3

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

### 4. Risk Management

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

| Risk   | Residual risk rating |
|--|----------------------|
| Those charged with governance are unable to fulfil their responsibilities effectively                                  | Green                |
| Failure to administer the scheme in line with regulations and guidance.  | Green                |
| Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making | Green                |

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

## 5. Communication Implications

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

## 6. Finance & Resources Implications

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

## 7. Legal Implications

- 7.1 Not applicable

## 8. Consultation with Key Advisers

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

## 9. Alternative Options Considered

- 9.1 Not applicable

## 10. Background Papers

- 10.1 Not applicable

## 11. Appendices

- 11.1 Appendix 1 Schedule of training events.

## Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 22 May 2022

Has this report been cleared by Head of Pensions? Mark Whitby – 5 May 2022

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 22 May 2022

Has this report been cleared by Legal Services? Amy Brown – 23 May 2022



## Appendix 1

### Upcoming training events

| Date                    | Event Description   | Audience  |
|-------------------------|---|---|
| 13-14 July 2022         | Heywood Class Conference<br>Pensions Administration and Payroll Platform Annual General Meeting<br>(Manchester) | Officers  |
| September 2022<br>(tbc) | LGC Investment and Pensions Summit<br>Further details to be confirmed   | Pension Fund Committee,<br>Pension Fund Board,<br>Officers, Section 151<br>Officers |
| 7-9 December 2022       | LAPFF Annual Conference<br>Bournemouth<br>Further details to be confirmed                                       | Pension Committee,<br>Pension Board, Officers,<br>Section 151 Officers              |

### Past training events

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

| Date             | Event Description  | Audience  |
|------------------|--|---|
| 24-25 March 2022 | LGC Investment Seminar<br>Cheshire<br><a href="#">LGC Investment Seminar 2022</a>                                  | Pension Fund Committee,<br>Pension Fund Board,<br>Officers, Section 151<br>Officers |
| 13-15 June 2022  | PLSA Local Authority Conference 2022<br>Gloucestershire<br><a href="#">Local Authority Conference (plsa.co.uk)</a> | Pension Fund Committee,<br>Pension Fund Board,<br>Officers, Section 151<br>Officers |

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

Cambridgeshire  
Pension Fund

Pension Fund Committee

10 June 2022

Report by: Head of Pensions

Subject: Employer Admissions and Cessations Report

Purpose of the Report: 1. To report the admission of three admitted bodies to the Cambridgeshire Pension Fund  
2. To notify the Committee of one body ceasing participation in the Cambridgeshire Pension Fund

Recommendations: That the Pension Fund Committee  
1. Notes the admission of the following admitted bodies to the Cambridgeshire Pension Fund and approves the sealing of the admission agreements:  

- Everyone Health Limited
- GPC Skills Limited
- Goshen Multiservices Limited

  
2. Notes the cessation of the following body from the Cambridgeshire Pension Fund:  

- Caterlink Ltd

Enquiries to: Name – Cory Blose, Employer services manager  
Tel – 07990 560829  
E-mail – [cory.blose@westnorthants.gov.uk](mailto:cory.blose@westnorthants.gov.uk)

## 1. Background

- 1.1 The Local Government Pension Scheme Regulations 2013 (as amended) 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 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 New Admission Bodies

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

- 2.2 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.
- 2.3 The Regulations require that applications for bodies, assessed by officers as complying with paragraph 1(d)(i), and who agree to meet the terms of the admission agreement must be accepted. The Regulations also allow Funds to enter into backdated admission agreements.
- 2.4 The Pension Fund Committee is asked to note the admission of the following bodies into the Cambridgeshire Pension Fund under paragraph 1(d)(i) and to approve the sealing of the admission agreements.

| Date       | New Admission Body           | Background information   |
|------------|------------------------------|--|
| 01/10/2020 | Everyone Health Limited      | Everyone Health Limited have entered into a contract with Cambridgeshire County Council to provide community health services. As a result, a group of employees were transferred to the admission body and a pass through admission agreement has been put in place with the liabilities retained by Cambridgeshire County Council. The backdated contributions have been collected.   |
| 01/09/2021 | GPC Skills Limited           | Cambridgeshire and Peterborough Combined Authority (CPCA) created a company known as Cambridgeshire and Peterborough Business Growth Company Limited (Growth Co) and entered into a joint agreement with GPC Skills Limited to manage efforts to stimulate economic growth in the Greater Cambridgeshire and Peterborough area. As a result a group of staff were transferred from CPCA to GPC Skills Limited. CPCA has agreed to retain the pension risk under a Pass Through agreement. The backdated contributions will be collected by 19 May. |
| 01/04/2022 | Goshen Multiservices Limited | Goshen Multiservices Limited have entered into a contract with Cambridge City Council to provide cleaning services. As a result, a group of employees were transferred to the admission body and a full admission agreement has been put in place.   |

### 3. Cessations

#### Caterlink Limited

- 3.1 Caterlink Limited were admitted to the Fund under a pass through agreement on 1 September 2009 after entering a contract to provide catering services to Bottisham Village College.

- 3.2 On 31 March 2021, the last active member left the scheme. No exit payment or credit will be required as the pension liabilities were retained by Cambridgeshire County Council.

#### 4. Relevant Pension Fund Objectives

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*

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

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

#### 5. Risk Management

- 5.1 The Pension Fund Committee are responsible for approving some admission bodies into the Fund as well as monitoring all admissions and cessations.
- 5.2 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.   | 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.         | Green                |

- 5.3 The Fund's full risk register can be found on the Fund's website:

[Pension Fund Risk Register hyperlink](#)

#### 6. Finance & Resources Implications

- 6.1 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.
- 6.2 The employer contribution rate contains an allowance for administration charges, and the employer is charged a fee to recover the Funds administration costs of on boarding new employers and terminating ceased employers. This means that admissions and cessations should be cost neutral.
- 6.3 Employers who are unable to pay monies due during active membership may result in unpaid liabilities being borne by other employers in the Fund.

## 7. Communication Implications

Direct Communications - Direct communications will be required to facilitate employer start up in the LGPS.

Direct communications will be required with the exiting employers.

Training - Training will need to be provided to new employers on a number of LGPS issues.

Website - New employers are given access to the employer's guidance available on the pension's website.

## 8. Legal Implications

- 8.1 Admitted bodies enter into an admission agreement with the administering authority in order 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.

## 9. Consultation with Key Advisers

- 9.1 Contribution rate and bond assessments are undertaken by Hymans Robertson, the Fund Actuary.
- 9.2 A precedent admission agreement has been drafted by Eversheds, specialist pension legal advisers in consultation with LGSS Law.
- 9.3 Advice was received from the Fund's legal advisers, Squire Patton Boggs, on individual admission cases, where required.

## 10. Alternative Options Considered

- 10.1 None available.

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood 27/5/22

Has this report been cleared by Head of Pensions? Mark Whitby 9/10/22

Has the Chair of the Pension Fund Committee been consulted? Cllr Whelan 27/5/22

Has this report been cleared by Legal Services? Amy Brown – 23 May 2022

# Cambridgeshire Pension Fund

## Pension Fund Committee

10 June 2022

Report by: Head of Pensions

Subject: Administering Authority Discretions Policy

Purpose of the Report: To present the updated Administering Authority Discretions Policy to the Pension Fund Committee for approval

Recommendations      The Pension Fund Committee are  
1) asked to consider and approve the updated Administering Authority Discretions Policy  
2) delegate future revisions of the Administering Authority Discretions Policy to the Head of Pensions in consultation with the Chair

Enquiries to: Mark Whitby, Head of Pensions  
[mark.whitby@westnorthants.gov.uk](mailto:mark.whitby@westnorthants.gov.uk)

### 1. Background

- 1.1 There are a number of areas within Local Government Pension Scheme (LGPS) legislation that provide either the administering authority (i.e. Cambridgeshire County Council as guardian of the Fund) or individual employers participating in the Fund with flexibility over how the particular provision is exercised. In some cases there is a specific requirement for a policy decision in relation to such provisions to be published.
- 1.2 This report presents a comprehensive “Administering Authority Discretions Policy” for consideration by the Pension Fund Committee. The proposed policy is only dealing with the discretions required to be exercised by Cambridgeshire County Council in its role as an administering authority. These policy decisions will apply to all employers and scheme members in the Cambridgeshire Pension Fund and not just Cambridgeshire County Council.
- 1.3 On the whole, administering authority discretions have little risk attached to them and relate to day to day operational matters.
- 1.4 In December 2018 the Cambridgeshire Pension Committee agreed an updated set of proposed policies in relation to the exercise of the discretions that may be exercised by the administering authority.
- 1.5 There was a commitment to review the policies as required in the light of changes to the LGPS legislation or other relevant legislation, and for them to be reviewed at least every three years.

1.6 Having a set of formally approved policies in this way fosters good governance and assists West Northamptonshire Council's Pensions Service to administer the Fund with consistency.

## 2. Proposed update of the Administering Authority Discretions Policy

2.1 A review of the policies agreed in December 2018 has been undertaken and while the proposed policies presented in Appendix 1 are largely unchanged, there are some updates to the existing document, which are explained below. For ease of reference, light shading has been applied to the updated policies.

2.2 Under Regulation 64 of the LGPS Regulations 2013, where the actuarial valuation for an exiting employer shows a funding surplus on the exit date, the administering authority must make a determination over the value of any exit credit that should be paid to the exiting employer. It was previously agreed to delegate the responsibility for making determinations regarding exit credits jointly to the Head of Pensions and Section 151 Officer of the administering authority. Since this decision, however, officers have received legal advice recommending that only one person be named as responsible for making determinations. In view of potential challenge to such determinations through the internal dispute resolution process (IDRP), the legal advice also recommends that the Head of Pensions should not review their own determination as an IDRP Stage 1 adjudicator. As it could also be considered inappropriate for the Head of Pensions to review the decision of a more senior officer, the proposal is therefore that the Employer Services Manager be named as the officer responsible for making the determinations (the first instance decisions) in relation to matters around exiting employers and exit credits.

2.3 There were other existing policies on the exercise of discretions that similarly referenced delegation jointly to the Head of Pensions and Section 151 Officer of the administering authority for determinations:

2.3.1 those relating to obtaining a revised rates and adjustment certificate if there are circumstances which make it likely a Scheme employer will become an exiting employer,

2.3.2 the extension of the period over which strain costs are paid, and

2.3.3 whether to agree to pay annual compensation on behalf of an employer and recharge payments to that employer.

The proposal is that the delegation of these determinations is similarly amended to be to the Employer Services Manager.

2.4 Clarifying updates have been made to distinguish a subtle difference in the provisions of the LGPS Regulations 2013 and the LGPS (Administration) Regulations 2008 regarding cases where a person is unable to deal with their own affairs, and the discretion to make payments to another person for their benefit.

2.5 An update to the policy in relation to whether an application to pay additional pension contributions (APC) or shared cost additional pension contributions (SCAPC) will be turned down if an applicant does not provide a declaration, countersigned by their General Practitioner, that they are in reasonably good health is proposed. The proposal, for the Head of Pensions to make a determination when exceptional circumstances prevent such a declaration being countersigned by a member's GP, follows issues during the course of the COVID-19 pandemic when availability of GPs to countersign such declarations was impacted.



- 2.6 The independent registered medical practitioners (IRMP) that may provide opinions to scheme employers to inform their decision making over ill health pension issues must be approved by the administering authority. The policy on this, delegating power to approve an IRMP power to the Head of Pensions, was included in the document approved in December 2018 however it appears to have been missed from a reformat of the document that was published in 2021. The policy has been reinstated into the proposed policy document.
- 2.7 A deferred member who left active membership of the LGPS before 1 April 1998 may request that their former scheme employer grant early payment of their benefits on compassionate grounds. Where their former scheme employer is no longer a scheme employer in the Fund, the decision falls to the administering authority. The proposal is that the administering authority would make their decision in line with Cambridgeshire County Council's own employer policy in this area.
- 2.8 Officers are seeking approval within the recommendations for future revisions of the Administering Authority Discretions Policy to be delegated to the Head of Pensions in consultation with the Chair. This would not prevent material revisions, where oversight of the Pensions Committee would remain appropriate, to be put before the Committee as a result of this consultation process.

### 3. Relevant Pension Fund Objectives

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

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. Risk Management

- 4.1 The risks associated with the Fund not having in place an Administering Authority Discretions Policy have been captured in the Fund's risk register as detailed below.

| Risk   | Residual risk rating |
|--|----------------------|
| Failure to administer the scheme in line with regulations and guidance   | Green                |
| Those charged with governance are unable to fulfil their responsibilities effectively.                             | Green                |
| Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making. | Green                |
| Information may not be provided to stakeholders as required  | Green                |

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

### 5. Communication Implications

Website: The Administering Authority Discretions Policy is published on the Fund's website

## 6. Finance & Resources Implications

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

## 7. Legal Implications

7.1 There are no legal implications connected to the contents of this report.

## 8. Consultation with Key Advisers

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

## 9. Alternative Options Considered

9.1 Not applicable

## 10. Background Papers

10.1 Not applicable

## 11. Appendices

11.1 Appendix 1 Proposed Administering Authority Discretions Policy

### Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 27 May 2022

Has this report been cleared by Head of Pensions? Mark Whitby – 12 May 2022

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 27 May 2022

Has this report been cleared by Legal Services? Amy Brown – 23 May 2022

## Appendix 1

### Proposed statement of policy on Administering authority discretions

#### Key strategies and policies

| Regulation no.   | Description of discretion   | Administering authority policy  |
|--|---|---|
| <a href="#">R 55</a><br>Governance compliance statement            | Governance Compliance Statement must state whether the administering authority delegates its function or part of its function in relation to maintaining a pension fund to a committee, a sub-committee or an officer of the administering authority.<br>If the administering authority does so delegate, the statement must include: <ul style="list-style-type: none"> <li>- the terms, structure and operational procedures appertaining to the delegation;</li> <li>- the frequency of any committee or sub-committee meetings, whether such a committee or sub-committee includes representatives of Scheme employers or members and, if so, whether they have voting rights;</li> <li>- the extent to which a delegation, or the absence of a delegation, complies with Secretary of State guidance and, to the extent it does not so comply, state the reasons for not complying; and</li> <li>- the terms, structure and operational procedures appertaining to the local pension board.</li> </ul> | See our latest Governance Compliance Statement on <a href="#">the key documents page of our website</a> .   |
| <a href="#">R 58</a><br>Funding strategy                           | Decide on Funding Strategy for inclusion in funding strategy statement.   | See our latest Funding Strategy Statement on the <a href="#">key documents page of our website</a> .  |
| <a href="#">R 59(1) and (2)</a><br>Pension administration strategy | Whether to have a written pension administration strategy and, if so, the matters it should include.  | The Fund has a Pension Administration Strategy which will be reviewed on a regular basis. Performance of the administering authority and the employers in the Fund will also be monitored against the targets and standards in the strategy and reported to the Pension Fund Board. See our latest version on the <a href="#">key documents page of our website</a> . |
| <a href="#">R 61</a><br>Communication policy                       | Communication policy must set out the policy on provision of information and publicity to, and communicating with, members, representatives of members, prospective members and Scheme employers; the format, frequency and method of communications; and the promotion of the Scheme to prospective members and their employers.   | The Fund's communications strategy is available on the <a href="#">key documents page of our website</a> .  |

## Scheme management

| Regulation no.                                  | Description of discretion   | Administering authority policy  |
|---|---|---|
| <a href="#">R 105(2)</a><br>Delegations         | Whether to delegate any administering authority functions under the Regulations.                            | The administering authority does delegate certain functions to senior officers and to the Pension Fund Committee as appropriate. Details of these are set out in the Council's Constitution and summarised in the Governance Policy and Compliance Statement on the <a href="#">key documents page of our website</a> . |
| <a href="#">R 106(3)</a><br>Local Pension Board | Whether to establish a joint local pension board (if approval has been granted by the Secretary of State).  | The Administering Authority did not establish a joint pension board.  |
| <a href="#">R 106(6)</a><br>Local Pension Board | Decide procedures applicable to the local pension board.  | Procedures have been decided, and are detailed in the local pension board's terms of reference, which can be provided upon request.   |
| <a href="#">R 107(1)</a><br>Local Pension Board | Decide appointment and removal procedures, terms of appointment, and membership of the local pension board. | The appointment procedures and terms have been decided, and are detailed in the local pension board's terms of reference. The membership of the local pension board is set out on <a href="#">the Local Pension Board page on our website</a> .   |

## Disputes

| Regulation no.   | Description of discretion   | Administering authority policy  |
|--|---|---|
| <a href="#">R 74(1)</a><br>Internal Dispute Resolution Procedure                           | Appoint a person for dealing with applications under Stage One of the dispute resolution procedures (IDRP) in relation to any disputes relating to the role as Administering Authority. | The Head of Pensions is appointed as the Stage 1 adjudicator.   |
| <a href="#">R 74(4)</a> and <a href="#">TP 23</a><br>Internal Dispute Resolution Procedure | Whether to extend six month period to lodge a stage one IDRP appeal.  | Decision delegated to the Head of Pensions, as the Stage 1 adjudicator, to consider each case on its own merits.  |
| <a href="#">R 74(6)</a> and <a href="#">TP 23</a><br>Internal dispute resolution procedure | Decide procedure to be followed by adjudicator when exercising stage one IDRP functions and decide the manner in which those functions are to be exercised.                             | The Head of Pensions is appointed as the Stage 1 adjudicator. Procedure set out in the Fund's:<br>- A Guide To Resolving Disputes About An Administering Authority Pension Decision<br>on the <a href="#">Forms and resources page on our website</a> . |

| Regulation no.   | Description of discretion  | Administering authority policy   |
|--|--|--|
| <a href="#">R 76(4)</a> and <a href="#">TP 23</a><br>Internal Dispute Resolution Procedure | Decide procedure to be followed by administering authority when exercising its stage two IDRPs functions and decide the manner in which those functions are to be exercised. | Procedure set out in the Fund's:<br>- A Guide To Resolving Disputes About An Employer's Pension Decision, and<br>- A Guide To Resolving Disputes About An Administering Authority Pension Decision<br>both of which are on the <a href="#">Forms and resources page on our website</a> .<br>Stage 2 adjudicator is Cambridgeshire County Council's Monitoring Officer. |
| <a href="#">R 79(2)</a> and <a href="#">TP23</a><br>Internal Dispute Resolution Procedure  | Whether administering authority should appeal to the Secretary of State against employer decision (or lack of a decision).   | Decision delegated to the Head of Pensions to consider each case on its own merits.  |

### Admission agreements and employer management

| Regulation no.  | Description of discretion  | Administering authority policy  |
|---|--|---|
| <a href="#">R 3(1A)</a> , <a href="#">R 3(5)</a> and <a href="#">Sch 2, Part 3, Para 1</a><br>Admission Body agreements | Whether to agree to an admission agreement with a body applying to be an admission body.   | See separate Admission Bodies, Scheme Employers and Bulk Transfer Policy on the <a href="#">key documents page of our website</a> . |
| <a href="#">R 4(2)(b)</a><br>Admission Body agreements  | Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority or Care Quality Commission.   | See separate Admission Bodies, Scheme Employers and Bulk Transfer Policy on the <a href="#">key documents page of our website</a> . |
| <a href="#">R Sch 2, Part 3, para 9(d)</a><br>Admission Body agreements   | Whether to terminate an admission agreement in the event of <ul style="list-style-type: none"> <li>insolvency, winding up or liquidation of the body.</li> <li>breach by that body of its obligations under the admission agreement.</li> <li>failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so.</li> </ul> | See separate Admission Bodies, Scheme Employers and Bulk Transfer Policy on the <a href="#">key documents page of our website</a> . |

| Regulation no.  | Description of discretion  | Administering authority policy   |
|---|--|--|
| <a href="#">R Sch 2, Part 3, para 12(a)</a><br>Admission Body agreements              | Employees of a contractor are only entitled to remain in the LGPS whilst they continue to be employed in connection with the original services that were transferred.<br>Define what the term “ <b>in connection with</b> ” means in the context of “only employees of the body who are employed <b>in connection with</b> the provision of the service or assets referred to in that sub-paragraph may be members of the Scheme”. | See separate Admission Bodies, Scheme Employers and Bulk Transfer Policy on <a href="#">the key documents page of our website</a> .  |
| <a href="#">R Sch 2, Part 3, para 14</a><br>Admission Body agreements                 | The start date of an admission agreement may be set to be earlier than the date the admission agreement is executed.   | The decision whether to backdate an admission will be made by the Head of Pensions taking into consideration the advice of the Fund Actuary.   |
| <a href="#">R 54(1)</a><br>Separate admission agreement fund                          | Whether to set up a separate admission agreement fund.   | Separate admission agreement funds will not be set up as normal practice. Any such decision would need to be agreed by the Pension Fund Committee taking into consideration guidance from the Fund Actuary.  |
| <a href="#">R 64(2A)</a><br>Exiting employers   | Whether to suspend (by way of issuing a suspension notice), for up to 3 years, an employer’s obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.  | This will be decided by the Employer Services Manager taking into consideration the advice of the Fund Actuary.  |
| <a href="#">R 64(2ZAB)</a><br>Exit credit amount                                      | Determine the amount of an exit credit, which may be zero, when an employer becomes an exiting employer in the Fund with a funding surplus.  | Determining the amount of an exit credit delegated to the Employer Services Manager, and to be agreed in co-operation with the Fund Actuary.<br>See separate Funding Strategy Statement on the <a href="#">key documents page of our website</a> . |
| <a href="#">R 64(2ZAB)(b)</a><br>Timing of payment of exit credit to exiting employer | If there is an exit credit payable to an exiting employer, decide whether to extend the period by which to pay it beyond 6 months from the date an employer ceases to be a Scheme Employer.  | This will be decided by the Employer Services Manager taking into consideration the advice of the Fund Actuary and by agreement with the exiting employer.   |
| <a href="#">R 64(4)</a><br>Revised Rates and Adjustment Certificates                  | Whether to obtain revision of employer’s contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer.  | Delegated to the Employer Services Manager, and to be agreed in co-operation with the Fund Actuary<br>See separate Admission Bodies, Scheme Employers and Bulk Transfer Policy on the <a href="#">key documents page of our website</a> .          |

| Regulation no.   | Description of discretion   | Administering authority policy  |
|--|---|---|
| <a href="#">R 68(2)</a><br><a href="#">TP Sch 2, Para 2(3)</a><br><a href="#">L 80(5)</a><br>Employer strain payments    | Whether to require any strain on Fund costs to be paid “up front” by an employer following redundancy / business efficiency, flexible retirement, or the waiver (in whole or in part) of any actuarial reduction on voluntary or flexible retirement, or the waiver of an actuarial reduction on compassionate grounds under TP Sch 2, para 2(1). | The administering authority will recharge all strain on the fund costs in accordance with the Rates and Adjustment Certificate and guidance produced by the Fund Actuary. Payment should normally be made within 12 months of the effective date in the form of lump sum. This may be extended to up to three years if agreed by the Employer Services Manager. |
| <a href="#">R 80(1)(b)</a><br><a href="#">TP 22(1)</a><br><a href="#">TP 23</a><br>Provision of Information by Employers | Specify information to be supplied by employers to enable administering authority to discharge its functions.   | The Head of Pensions will specify the information to be provided by employers. Some information requirements may also be contained within the Administration Strategy on the <a href="#">key documents page of our website</a> .  |
| <a href="#">R 69(1)</a><br>Employer Payments   | Decide frequency of payments to be made over to Fund by employers and whether to make an administration charge for late receipt.  | Payments must be made in accordance with Pensions Act (made monthly by 19 <sup>th</sup> of the month following payroll). Any administration charge will be in accordance with the Fund’s Administration Strategy on the <a href="#">key documents page of our website</a> .   |
| <a href="#">R 69(4)</a><br>Employer Payments   | Decide form and frequency of information from employers to accompany payments to the Fund.  | Information should be provided on a monthly basis unless a less frequent basis is agreed with the Head of Pensions.   |
| <a href="#">R 70</a><br><a href="#">TP 22(2)</a><br>Employer Payments  | Whether to issue employer with notice to recover additional costs incurred as a result of the employer’s level of performance.  | See Separate Administration Strategy on the <a href="#">key documents page of our website</a> .   |
| <a href="#">R 71(1)</a><br>Employer Payments   | Whether to charge interest on payments by employers which are overdue.  | The Fund will charge employers interest for persistently making late payments to the Fund. Delegated authority is given to the Head of Pensions to apply a charge on a case by case basis, taking into consideration the administrative cost involved in raising the charges.   |

## Payments relating to death

| Regulation no.  | Description of discretion  | Administering authority policy   |
|---|--|--|
| <a href="#">R 17(12)</a> , <a href="#">40(2)</a> , <a href="#">43(2)</a> and <a href="#">46(2)</a><br><a href="#">TP 17(5) to (8)</a><br><a href="#">B 23(2)</a> , <a href="#">32(2)</a> and <a href="#">35(2)</a><br><a href="#">T Sch1</a><br><a href="#">L 38(1)</a> and <a href="#">155(4)</a><br><a href="#">R95 E8</a><br>Payments on death | The Administering Authority may, at its absolute discretion, pay any death grant due (including AVCs, SCAVCs and life assurance relating to AVCs) to or for the benefit of the deceased member's nominee, personal representatives or any person appearing to the authority to have been a relative or dependent of the member. This also relates to councillor members. | Delegated authority has been given to the Head of Pensions to determine the recipient of death grants.<br>Details of prospective recipients will be sought and considered in all cases.<br>Payment will <i>normally</i> be made: <ul style="list-style-type: none"> <li>• in accordance with the member's expression of wish, or</li> <li>• where no expression of wish was made, to the member's surviving spouse, civil partner or 'cohabiting partner' (as defined in Schedule 1 to the LGPS Regulations 2013).</li> </ul> Where the above payment options appear inappropriate based on the details of prospective recipients received, the Head of Pensions will determine whether payment will be made to, or divided in whatever proportions(s) they see fit between, the deceased's personal representative (in that capacity), one or more surviving nominees, and any person appearing to have been a relative or dependant of the deceased member.<br>The County Council will ensure the details of current nominees will be included on annual benefit statements so that scheme members are given opportunity to revise nominations as part of the annual benefit statement exercise. |
| <a href="#">R 82(2)</a><br><a href="#">A 52(2)</a><br><a href="#">L 95</a><br>Benefits due in respect of deceased persons   | Whether to pay sums due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in s6 of the Administration of Estates (Small Payments) Act 1965.  | Where the total of the sums payable from the Scheme falls below the amount specified in s6 of the Administration of Estates (Small Payments) Act 1965 (£5,000 since 1984) sight of grant of probate or letters of administration is not required for payment. The decision as to the beneficiary is made on a case by case basis by the Head of Pensions.  |
| <a href="#">R Sch 1</a><br><a href="#">TP 17(9)(b)</a><br>Cohabiting partner  | Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.  | Where a member dies and a potential cohabiting partner is identified, delegated authority is given to the Head of Pensions to decide on a case by case basis by taking account of the LGPS regulatory requirements, what evidence the partner will be asked to provide by the way of appropriate documents and paperwork to prove either dependency or interdependency.  |



| Regulation no.  | Description of discretion   | Administering authority policy   |
|---|---|--|
| <a href="#">TP 3(6)</a> , <a href="#">4(6)(c)</a> , <a href="#">8(4)</a> ,<br><a href="#">10(2)(a)</a> and <a href="#">17(2)(b)</a><br><a href="#">B 10(2)</a><br>Final Pay   | Where member to whom B10 applies (use of average of 3 years pay within the period of 13 years ending with the last day of active membership for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member. | The pay figure that will provide the greatest benefit will be applied in all cases.  |
| <a href="#">TP 3(6)</a> , <a href="#">4(6)(c)</a> , <a href="#">8(4)</a> ,<br><a href="#">10(2)(a)</a> and <a href="#">17(2)(b)</a><br><a href="#">T Sch1</a><br><a href="#">L 23(9)</a><br>Certificate of protection | Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1.4.08.).  | The most advantageous final pay period for the member will be used in all cases.   |
| <a href="#">R Sch 1 "Eligible Child"</a><br><a href="#">TP 17(9)(a)</a><br>Child in education   | Decide to treat child (who has not reached the age of 23) as being in continuous education or vocational training despite a break   | A break of 1 academic year or less should be ignored.<br>Authority is delegated to the Head of Pensions to extend this period in exceptional circumstances   |
| <a href="#">L 47(1)</a><br><a href="#">R95 G11(1)</a><br>Children's pensions  | Apportionment of children's pension amongst eligible children.  | Payment will be apportioned equally amongst the eligible children unless there are exceptional circumstances, when authority is delegated to the Head of Pensions to determine an appropriate apportionment.   |
| <a href="#">B 27(5)</a><br><a href="#">L 47(2)</a><br><a href="#">R95 G11(2)</a><br>Children's pensions   | Whether to pay the whole or part of a child's pension to another person for the benefit of the child.   | Payment will be made to a parent or guardian where the child is aged below 17, with payment made direct to the child in all other circumstances. In these cases, the parent or guardian must sign a written statement confirming that the pension will be used for the benefit of the child. |
| <a href="#">R95 F7</a><br>Survivors pension   | Suspension of spouses' pensions during remarriage or cohabitation.  | Resolved that spouse's pensions are not ceased on re-marriage or cohabitation that took place or commenced on or after 1 April 1998 but are payable for life. This brought equity with post 31 March 1998 retirees/leavers with deferred benefits.   |

### Transferring or linking benefits

| Regulation no.   | Description of discretion   | Administering authority policy   |
|--|---|--|
| <a href="#">R 98(1)(b)</a><br>Bulk Transfer                  | Agree to bulk transfer payment.   | See separate Admission Bodies, Scheme Employers and Bulk Transfer Policy on the <a href="#">key documents page of our website</a> .                  |
| <a href="#">R 100(6)</a><br>Transfer in time limit extension | Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS. | This will be on a case by case basis with delegated authority given to the Head of Pensions. The member's employer must also agree to any extension. |

| Regulation no.  | Description of discretion  | Administering authority policy  |
|---|--|---|
| <a href="#">R 100(7)</a><br>Transfer of pension rights    | Allow transfer of pension rights into the Fund.  | Transfers into the Fund will be permitted.  |
| <a href="#">TP 10(9)</a><br>Concurrent aggregation choice | Where there are multiple ongoing employments, in the absence of an election from the member within 12 months of ceasing a concurrent employment, decide to which record the benefits from the ceased concurrent employment should be aggregated. | The power to determine this is delegated to the Head of Pensions.<br>(The assessment will be based on which of the concurrent employments continuing immediately after leaving the employment in question is considered the main ongoing employment. This assessment being made based on which employment has the greatest annual rate of pensionable pay based on pay that would be pensionable under Regulation 20 of the LGPS Regulations 2013). |
| <a href="#">L 118</a><br>Contributions Equivalent Premium | Retention of CEP where member transfers out.   | Where HMRC will accept payment of the CEP, this should be made. If they will not for any reason the CEP should be retained.   |

#### Other miscellaneous discretions

| Regulation no.   | Description of discretion   | Administering authority policy   |
|--|---|--|
| <a href="#">L 106A(5)</a><br>Annual Deferred Benefit Statement | Date to which benefits shown on annual deferred benefit statement are calculated. | Calculated as at first Monday in each tax year so as to coincide with the effective date of the Pensions Increase Review Order |

| Regulation no.   | Description of discretion   | Administering authority policy   |
|--|---|--|
| <a href="#">TP 3(13)</a><br><a href="#">A 70(1)</a> and <a href="#">71(4(c))</a><br>Abatement on re-employment               | Decide policy on abatement of pre 1 April 2014 element of pensions in payment following re-employment.  | <p>Members who are in receipt of an augmented pension or annual compensation (where additional pension, additional membership or a credited period has been awarded by their former employer) due to early retirement on the grounds of redundancy or in the interests of efficiency should have any pension based on pre 1 April 2014 membership assessed for reduction or suspension on re-employment that offers membership of the LGPS.</p> <p>The pension in respect of any pre 1 April 2014 membership will be reduced by the excess of the annual rate of pay on commencing the new job, or at any material change, plus the annual rate of pension in payment at that date in respect of any pre 1 April 2014 membership over the annual rate of pay of the former employment on the last day used in calculating the Final Pay that the pension was based on (revalued by pension increase); where the excess is greater than the annual rate of pension in respect of pre 1 April 2014 membership in payment, that pension will be suspended. The reduction or suspension will continue until the employment ends or there is a reassessment due to a material change.</p> |
| <a href="#">R 22(3)(c)</a><br>Pension Account  | Pension account may be kept in such form as is considered appropriate.  | Pension accounts will be held electronically using the Altair pension administration software.   |
| <a href="#">R 83</a><br>Person entitled to benefits is unable to deal with their own affairs                                 | Whether, where a person is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.   | This will be on a case by case basis with delegated authority given to the Head of Pensions.   |
| <a href="#">A 52A</a><br>Person entitled to benefits (other than an eligible child) is unable to deal with their own affairs | Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.                      | This will be on a case by case basis with delegated authority given to the Head of Pensions.   |
| <a href="#">R 16(1)</a><br>Minimum Additional Pension Contributions / Shared Cost Additional Pension Contributions           | Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment). | There is no minimum monthly payment required for entering into an APC/SCAPC contract.  |

| Regulation no.  | Description of discretion  | Administering authority policy  |
|---|--|---|
| <a href="#">R 16(10)</a><br>Request medical for APC/SCAPC   | Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC.   | A scheme member wishing to pay APC/SCAPC should be required to complete a declaration, countersigned by their General Practitioner, that they are in reasonably good health, prior to being permitted to commence payment, EXCEPT where the payments are to purchase pension no more than that which is to cover a period of absence, when no such declaration shall be required.   |
| <a href="#">R 16(10)</a><br>Proof of good health for APC / SCAPC  | Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.                                     | Where a scheme member wishing to pay APC/SCAPC does not provide a declaration, countersigned by their General Practitioner, that they are in reasonably good health, their application to pay APC/SCAPC will be turned down, UNLESS <ul style="list-style-type: none"> <li>(i) the payments are to purchase pension no more than that which is to cover a period of absence, when no such declaration shall be required</li> <li>OR</li> <li>(ii) there are exceptional circumstances that prevent such a declaration being countersigned by the scheme member's General Practitioner, when a decision to allow the application to pay an APC/SCAPC will be considered on a case by case basis with delegated authority given to the Head of Pensions.</li> </ul> |
| <a href="#">R 32(7)</a><br>Flexible retirement time limit   | Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement. | The advance notice required for payment of benefits before normal pension age will be shortened from 3 months to 1 month.<br>A notice that benefits are to be paid on flexible retirement should be given no more than 1 month after the reduction in hours and/or grade, i.e. the period will not be extended.   |
| <a href="#">R 36(3)</a><br><a href="#">A 56(2)</a><br><a href="#">L 97(10)</a><br>Approved medical advisors for ill health retirements. | Approve medical advisors used by employers (for ill health benefits)   | Delegated powers have been given to the Head of Pensions to determine in advance of a referral whether an employer can use an alternative Occupational Health Provider to Cambridgeshire County Council's own provider, and where approval is granted whether it is reasonable to use the practitioner proposed as the Independent Registered Medical Practitioner (IRMP) for pension purposes.   |

| Regulation no.   | Description of discretion  | Administering authority policy   |
|--|--|--|
| <a href="#">TP 15(1)(c)</a><br><a href="#">T Sch1</a><br><a href="#">L 83(5)</a><br>Added years contributions  | Extend time period for capitalisation of remaining contributions to an added years contract in cases of redundancy.  | This will be considered on a case by case basis with delegated authority given to the Head of Pensions.  |
| <a href="#">R 34(1)(a), (b) and (c)</a><br><a href="#">B 39(1)(a), (b) and (c)</a><br><a href="#">T 14(3)</a><br><a href="#">L 49(1)</a><br>Small Pension<br>Commutation | Decide whether to trivially commute a member's pension under section 166 of the Finance Act 2004; whether to trivially commute a lump sum death benefit under section 168 of the Finance Act 2004; or whether to pay a commutation payment under regulations 6 (payment after relevant accretion), 11 (de minimis rule for pension schemes) or 12 (payments by larger pension schemes) of the Registered Pension Schemes (Authorised Payments) Regulations 2009. | Members and beneficiaries who meet the criteria for commutation will normally be offered commutation as an option.   |
| <a href="#">R 49(1)(c)</a><br><a href="#">B 42(1)(c)</a><br>Double entitlement   | Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership.   | The power to determine and notify the member of the provision under which benefits are to be awarded will be delegated to the Head of Pensions and will be considered on a case by case basis. |
| <a href="#">L 147</a><br>Pension Credit  | Discharge Pension Credit liability.  | These cases will be considered on a case by case by the Head of Pensions, taking consideration of the national LGPS guidance issued by Local Government Pensions Committee.                    |
| <a href="#">L 50 and 157</a><br>Exceptional ill health<br>commutation  | Decide whether to commute benefits due to exceptional ill-health (includes. Pension Credit members where the effective date of the Pension Sharing Order was pre 1 April 2014 or where the effective date of the Pension Sharing Order is after 31 March 2014 but the debited member had no post 31 March 2014 membership of the 2014 Scheme).   | Members who meet the criteria for commutation on grounds of exceptional ill health will be offered commutation as an option.   |
| <a href="#">L 91(6)</a><br>Employer payments   | Timing of pension increase payments by employers to fund (pre 1 April 2008. leavers).  | Will generally be recharged quarterly; however Head of Pensions given delegated authority to agree alternative frequency.  |

## Discretions relating to employers which are no longer scheme employers

| Regulation no.  | Description of discretion   | Administering authority policy  |
|---|---|---|
| <a href="#">R 38(3) and (6)</a><br><a href="#">B 31(4) and (7)</a><br>Deferred Beneficiary –<br>Payment on ill health<br>grounds                | Where the question arises of whether a deferred beneficiary meets criteria for being permanently incapable of former job because of ill health and is unlikely to be capable of undertaking gainful employment before normal pension age or for at least three years, whichever is the sooner but the member's employer is no longer a 'scheme employer', the decision falls to the administering authority.<br>This also applies to a scheme member who was formerly in receipt of Tier 3 ill-health benefits. | Decision delegated to the Head of Pensions to consider each case on its own merits.   |
| <a href="#">TP Sch 2, Paras 1(2) and 1(1)(aa), (c) and (f) and R 60</a><br>Waiver of actuarial<br>reductions                                    | Waiving of actuarial reduction where former employer has ceased to be a 'Scheme employer', including whether to 'switch on' the 85 year rule for a member voluntarily drawing benefits on or after age 55 and before age 60.<br>This can also apply to former Tier 3 Ill-Health members.  | The waiving of any actuarial reduction decision will be made in line with the County Council's own employer policy in this area.                |
| <a href="#">TP 3(1), TP Sch 2, Paras 2(1) and 2(2)</a><br><a href="#">B 30(5) and B 30A(5)</a><br><a href="#">L 31(5)</a><br>Waiving reductions | Where the question arises of whether to waive any actuarial reduction on pre and/or post April 2014 benefits but the member's employer is no longer a 'Scheme employer', the decision falls to the administering authority.   | The waiving of any actuarial reduction decision will be made in line with the County Council's own employer policy in this area.                |
| <a href="#">R 30(8)</a><br>Waiving reductions   | Where the question arises of whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement, but the member's employer is no longer a 'scheme employer', the decision falls to the administering authority.   | The waiving of any actuarial reduction decision will be made in line with the County Council's own employer policy in this area.                |
| <a href="#">R 30(8)</a><br>Waiving reductions   | Where the question arises of whether to waive, in whole or in part, actuarial reduction on benefits which a member voluntarily draws before normal pension age other than on the grounds of flexible retirement but the member's employer is no longer a 'scheme employer', the decision falls to the administering authority.  | The waiving of any actuarial reduction decision will be made in line with the County Council's own employer policy in this area.                |
| <a href="#">TP 3(5A)(vi), TL 4, L 106(1) and R95 D11(2)(c)</a><br>Early payment of deferred<br>benefits on compassionate<br>grounds             | Where the question arises of whether to grant on compassionate grounds an application of early payment of deferred benefits on or after age 50 for a scheme member who ceased active membership before 1 April 1998 but the member's employer is no longer a 'scheme employer', the decision falls to the administering authority.  | The early payment on compassionate grounds decision will be made in line with Cambridgeshire County Council's own employer policy in this area. |
| <a href="#">TP 12(6)</a><br>Ill health certificate  | Where the question arises of whether to use a certificate produced by an IRMP under the 2008 Scheme for the purposes of making an ill health determination under the 2014 Scheme but the member's employer is no longer a 'scheme employer', the decision falls to the administering authority.   | A 2008 Scheme ill health certificate will not be accepted for ill health determinations.  |

**Discretions under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended) in relation to awards of compensation made to pre 1 April 2007 leavers**

| Regulation no.                        | Description of discretion  | Administering authority policy   |
|---------------------------------------|--|--|
| <a href="#">31(2)</a><br>Compensation | Decide whether to agree to pay annual compensation on behalf of fund employer and recharge payments to employer. | Annual compensation payments already being paid on behalf of employers, and recharged, will continue to be paid, and in the event of new survivors' compensation becoming payable, these payments will similarly be paid on behalf of employers and recharged. The power to determine the frequency and terms of recharge for each employer is delegated to the Employer Services Manager, notwithstanding that in accordance with Regulation 31(4) payments must be recovered within 2 months of them being made. |

**Discretion under the Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011**

| Regulation no.                             | Description of discretion  | Administering authority policy   |
|--|--|--|
| <a href="#">2</a><br>Voluntary Scheme Pays | To decide whether it is legally able to offer voluntary scheme pays and, if so, to decide the circumstances (if any) upon which it would do so | Voluntary Scheme Pays will be permitted where the member has incurred an annual allowance charge greater than £2,000 and is affected by the Tapered Annual Allowance, or where Mandatory Scheme Pays would have applied but the member is out of time. |

**Key to Regulation References:**

|     |   |
|-----|---|
| R   | The Local Government Pension Scheme Regulations 2013  |
| TP  | The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 |
| A   | The Local Government Pension Scheme (Administration) Regulations 2008                                 |
| B   | The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007         |
| T   | The Local Government Pension Scheme (Transitional Provisions) Regulations 2008                        |
| L   | The Local Government Pension Scheme Regulations 1997  |
| TL  | The Local Government Pension Scheme (Transitional Provisions) Regulations 1997                        |
| R95 | The Local Government Pension Scheme Regulations 1995  |

**Note that references to old provisions (e.g. L) generally apply in relation to scheme members who left under those provisions.**

Cambridgeshire County Council, as administering authority to the Cambridgeshire Pension Fund, has determined its discretionary policies in accordance with the Local Government Pension Scheme Regulations 2013 (as amended), and related legislation, and these are outlined in this statement. We will apply these policies to all members of the Pension Fund, regardless of who their employer is. Where relevant, these policies equally apply to members who left pensionable service prior to 1 April 2014 (albeit only in relation to discretions exercised since the effective date of these policies), to councillor members and to pension credit members.

The content of these policies is drafted in line with current legislation. These policies were approved by the Pension Fund Committee on [DD MMM 2022] and are effective from [DD MMM 2022], unless stated otherwise within this statement.

We retain the right to change these policies at any time as long as we republish the amended policy within at least one month of when the change(s) we are introducing came into effect.

These policies do not give, nor shall they be deemed to give, any contractual rights to any member of the Pension Fund, or to any other person whatsoever. Nothing in this document will cause the Administering Authority's capacity to exercise its discretionary powers to be unlawfully fettered or restricted in any way.

We will exercise these discretions in line with the provisions of the various LGPS Regulations and other legislation. Nothing within this statement can overwrite the legal requirements within those provisions.

We will review the policies within this statement as required in the light of future changes to the LGPS legislation or other relevant legislation. It will also be reviewed at least every three years.



# Cambridgeshire Pension Fund

## Pension Fund Committee

10 June 2022

Report by: Head of Pensions

Subject: Data Improvement Strategy and Plan

Purpose of the Report: To present the Data Improvement Strategy and Plan to the Pension Fund Committee

Recommendations The Pension Fund Committee are asked to approve the Data Improvement Strategy & Plan

Enquiries to: Mark Whitby, Head of Pensions  
[mark.whitby@westnorthants.gov.uk](mailto:mark.whitby@westnorthants.gov.uk)

### 1. Background

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

- 1.8 Since this date the Fund has been annually reviewing its data quality through a TPR data scoring exercise and undertaking data improvements in line with any quality issues identified.
2. Data Improvement Strategy & Plan - Revisions
- 2.1 A completely revised Data Improvement Strategy & Plan has been drafted by Fund officers to replace the existing Policy. This is included in Appendix 1.
- 2.2 The new Strategy sets out the processes by which we obtain and maintain good quality data and the cyclical data review activities undertaken by Fund officers. The Plan contains the current areas of focus for the Fund with regards to data improvement. A revised plan will be formulated at least annually to meet the code of practice requirement to continually review data held and carry out a review exercise at least once a year.
3. Relevant Pension Fund Objectives
- To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers.
- To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- To continually monitor and measure clearly articulated objectives through business planning.
- To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate
- To put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary.
- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
4. Risk Management
- 4.1 The Cambridgeshire Pension Fund is required under various sets of legislation and the Pensions Regulator code of practice to ensure that data held on scheme members and their potential beneficiaries is up to date and accurate. As such the Fund should have in place an approach to managing the quality of its data and a plan for addressing any omissions or inaccuracies. This report presents a strategy and plan to the Pension Fund Committee to demonstrate compliance and commitment in this area.
- 4.2 The risks associated with the Fund not having in place a Data Improvement Strategy and Plan have been captured in the Fund's risk register as detailed below.

| Risk  | Residual risk rating |
|---|----------------------|
| Information may not be provided to stakeholders as required   | Green                |
| Those charged with governance are unable to fulfil their responsibilities effectively   | Green                |
| Risk of fraud and error   | Green                |
| Incorrect/poor quality data held on the Pension Administration and Payroll platforms or delays with receiving information leading to incorrect information/delayed provision of information to members and stakeholders | Green                |
| Failure to administer the scheme in line with regulations and guidance  | Green                |

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

## 5. Communication Implications

Website: The Data Improvement Strategy and Plan is published on the Fund's website

## 6. Finance & Resources Implications

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

## 7. Legal Implications

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

## 8. Consultation with Key Advisers

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

## 9. Alternative Options Considered

- 9.1 Not applicable

## 10. Background Papers

- 10.1 Pension Fund Committee 8 December 2020 – Agenda Item 8 - Cambridgeshire Pension Fund Data Improvement Policy

## 11. Appendices

- 11.1 Appendix 1 Data Improvement Strategy and Plan

## Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 27 May 2022

Has this report been cleared by Head of Pensions? Mark Whitby – 9 May 2022

Has the Chair of the Pension Committee been consulted? Councillor Whelan – 27 May 2022

Has this report been cleared by Legal Services? Amy Brown – 23 May 2022

# Data Improvement Strategy and Plan

## Contents

|   |                                     |
|---|-------------------------------------|
| 1. Introduction .....                           | <b>Error! Bookmark not defined.</b> |
| 2. Legislative Framework .....                  | 3                                   |
| 3. Fund and Strategy Objectives .....           | 3                                   |
| 4. Stakeholders of the Fund .....               | 4                                   |
| 5. Effective date and review of Policy .....    | 4                                   |
| 6. Obtaining good quality data .....            | 4                                   |
| Administration Strategy .....                   | 4                                   |
| Scheme employer support .....                   | 5                                   |
| Clear data submission templates and forms ..... | 5                                   |
| Effective internal controls and processes ..... | 5                                   |
| Timely receipt and processing of data .....     | 5                                   |
| 7. Data review activities .....                 | 6                                   |
| 8. Third party data services .....              | 6                                   |
| LGPS National Insurance Database .....          | 6                                   |
| “Tell Us Once” service .....                    | 6                                   |
| National Fraud Initiative (NFI) .....           | 7                                   |
| Mortality screening services .....              | 7                                   |
| External tracing services .....                 | 7                                   |
| 9. Data Improvement Plan .....                  | 7                                   |
| 10. Measures of success .....                   | 7                                   |
| Appendix 1 Data Improvement Plan .....          | 8                                   |

## 1. Introduction

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

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

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

## 2. Legislative Framework

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

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

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

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

## 3. Fund and Strategy Objectives

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

- To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- To maintain accurate records and ensure data is protected and used for authorised purposes only.

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

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

## 4. Stakeholders of the Fund

There are numerous categories of stakeholder as detailed below:

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

## 5. Effective date and review of Policy

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

| Date of review | Effective Date | Type of review  |
|----------------|----------------|---|
| December 2020  | December 2020  | Minor amendments – approved by Pension Fund Committee |

## 6. Obtaining good quality data

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

### Administration Strategy

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

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



## **Scheme employer support**

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

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

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

## **Clear data submission templates and forms**

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

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

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

## **Effective internal controls and processes**

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

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

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

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

## **Timely receipt and processing of data**

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

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

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

## 7. Data review activities

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

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

## 8. Third party data services

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

### LGPS National Insurance Database

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

### “Tell Us Once” service

The secure LGPS National Insurance Database also facilitates the integration of the Fund’s membership profile into the Department of Work and Pensions (DWP) ‘Tell Us Once’ service (TUO). The service allows an individual registering a death to request that the DWP pass on the deceased’s information to other government services and council services. If the deceased is a member of the Fund, as determined by the LGPS National Insurance Database, an email notification is received informing the designated officers that a copy of the death certificate is accessible on the secure government gateway.

## **National Fraud Initiative (NFI)**

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

## **Mortality screening services**

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

## **External tracing services**

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

## **9. Data Improvement Plan**

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

## **10. Measures of success**

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

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

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

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

Appendix 1 Data Improvement Plan

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

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

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

# Cambridgeshire Pension Fund Committee Agenda Plan

| Meeting date     | Agenda item  | Lead officer |
|------------------|--|--------------|
| <b>10/6/2022</b> | Administration Report [standing item]                      | J Kent       |
|                  | Governance and Compliance Report [standing item]           | J Kent       |
|                  | Employers Admissions and Cessations Report [standing item] | C Blose      |
|                  | Data Improvement Policy and Plan [approval]                | M Whitby     |
|                  | Admin Authority discretions [approval]                     | M Whitby     |
|                  | Risk Monitoring [standing item] exempt                     | M Oakensen   |
|                  | Cyber Resilience [standing item] exempt                    | J Kent       |
|                  | ACCESS Update [standing item] exempt                       | M Whitby     |
|                  | Valuation Update [to note/approval] exempt                 | C Blose      |
|                  | Managed Exit Report [approval] exempt                      | C Blose      |
| <b>28/7/2022</b> | Internal Audit Review [to note]                            | B Barlow     |
|                  | External Audit Plan [to note]                              | B Barlow     |
|                  | Climate Action Plan  | B Barlow     |
|                  | Responsible Investments Review [to note]                   | B Barlow     |
|                  | Draft Annual Report and Statement of Accounts [to note]    | B Barlow     |
|                  | Annual Investment Review [to note] exempt                  | B Barlow     |

| Meeting date      | Agenda item  | Lead officer |
|-------------------|--|--------------|
| <b>25/10/2022</b> | Administration Report [standing item]                              | J Kent       |
|                   | Business Plan Update [standing item]                               | M Whitby     |
|                   | Employers Admission and Cessation Report                           | C Blose      |
|                   | Governance and Compliance Report [standing item]                   | J Kent       |
|                   | Cyber Resilience [standing item] exempt                            | J Kent       |
|                   | ACCESS Update [standing item] exempt                               | M Whitby     |
|                   | Code of Practice Action Plan [to note]                             | J Kent       |
|                   | Good Governance Review Action plan [to note]                       | J Kent       |
|                   | Administration Strategy [approval]                                 | C Blose      |
|                   | Reporting Breaches of the Law to the Pensions Regulator [approval] | M Oakensen   |
|                   | Conflicts of Interest policy [approval]                            | M Oakensen   |
|                   | Funding Strategy Statement and Valuation results [approval]        | C Blose      |
|                   | Final accounts & ISA 260 [to note]                                 | B Barlow     |
|                   | Governance Policy and Compliance Statement [approval]              | J Kent       |
| <b>14/12/2022</b> | Administration Report [standing item]                              | J Kent       |
|                   | Business Plan Update [standing item]                               | M Whitby     |
|                   | Employers Admission and Cessation Report [standing item]           | C Blose      |
|                   | Governance and Compliance Report [standing item]                   | J Kent       |
|                   | Cyber Resilience [standing item] exempt                            | J Kent       |



| Meeting date     | Agenda item  | Lead officer |
|------------------|--|--------------|
|                  | ACCESS Update [standing item] exempt                     | M Whitby     |
|                  | Funding Strategy Statement [approval]                    | C Blose      |
|                  | Risk Monitoring [standing item] exempt                   | M Oakensen   |
|                  | Risk Strategy [approval]                                 | M Oakensen   |
|                  | Cash Management Strategy [approval]                      | M Whitby     |
| <b>30/3/2023</b> | Administration Report [standing item]                    | J Kent       |
|                  | Business Plan Update [standing item]                     | M Whitby     |
|                  | Employers Admission and Cessation Report [standing item] | C Blose      |
|                  | Governance and Compliance Report [standing item]         | J Kent       |
|                  | Cyber Resilience [standing item] exempt                  | J Kent       |
|                  | ACCESS Update [standing item] exempt                     | M Whitby     |
|                  | Good Governance Review progress on action plan [to note] | J Kent       |
|                  | The Code of Practice progress on action plan [to note]   | J Kent       |
|                  | Review of website and digital communications [to note]   | C Blose      |
|                  | Annual Business Plan and Medium-Term Strategy [approval] | M Whitby     |
|                  | Communication Strategy and Plan [approval]               | C Blose      |
|                  | Overpayment of Pension Policy [approval]                 | M Oakensen   |

