

# CAMBRIDGESHIRE PENSION FUND

Agenda Item No:

To: Pension Fund Committee

Meeting date: 2 October 2024

Report by: Ben Barlow  
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Subject: Annual Report 2023-24

Purpose of the report: To present the Final Annual Report of the Pension Fund for the 2023-24 financial year.

Recommendations: The Pension Fund Committee is asked to approve the Annual Report 2023-24 for publication.

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## 1. Background

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

## 2. Executive summary

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

## 3. Issues and choices

### New Guidance

- 3.1 The Scheme Advisory Board issued new Annual Report Guidance for Pension Funds in March 2024. The purpose of the new guidance is to assist local government pension funds with the preparation and publication of the pension fund annual report, as required by regulation 57 of the Local Government Pension Scheme Regulations 2013. It also aims to ensure that reporting across the scheme is consistent and provides comparable data for all funds.
- 3.2 The guidance applies to 2023-24 annual reports and later years. For annual reports covering 2023-24, funds have been advised to use their best endeavours to comply fully with this guidance.
- 3.3 The external auditors have carried out their consistency checks on the Annual Report before publication and accessibility checks have been completed ready for publication.
- 3.4 The statutory date for publication of the Pension Funds Annual Report is 1 December.
- 3.5 The following terms are used for levels of compliance to the guidance:
- 3.5.1 **Must** - Compliance is strongly expected. Any non-compliance should be clearly identified in the annual report and an explanation provided.
- 3.5.2 **Should** - Compliance is anticipated but is discretionary. Where non-compliance may be significant or material for the readers the non-compliance should be identified and explained.
- 3.5.3 **May** - Compliance is recommended but is discretionary.
- 3.6 The Fund has made the following changes to adhere to the new guidance, categorised by the above terms:

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

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

- 3.7 A value for money statement is a new requirement with a 'must' compliance. However, due to the time constraints and feasibility the Fund has not been able to create a robust value for money statement for the 2023-24 report. This will be included in next year's report.
- 3.8 In addition to the above, the annual report includes a summary report at the beginning of the document. This has been added to improve readability, make the report more engaging and signpost key information throughout the document.
- 3.9 A copy of the guidance can be found here: [Preparing the Pension Fund Annual Report - Guidance for Local Government Pension Scheme Funds \(APRIL 2024\)](#)

## Content

- 3.10 The Annual Report content is set out over six sections: -
- 3.10.1 Preface - provides an introduction to the Annual Report framing the arrangements for the management of the Fund, key officers, a statement of responsibilities and listing key third parties.
- 3.10.2 Financial Performance - includes the financial performance of the Fund, contributions received and overpayments.
- 3.10.3 Scheme Administration - describes the scheme framework, how the Fund is administered, the Administering Authority's role, membership movements, key performance indicators, employers. In addition, it sets out the communication policy and complaints.
- 3.10.4 Governance and Training – sets out the governance arrangements of the Fund,

how risks are managed. The section also includes the membership, training and activities of the Pension Fund Committee and Local Pension Board.

3.10.5 Investments – includes the legislation under which investment of Fund assets is undertaken, the Fund’s investment strategy and performance including commentary and financial information on asset pooling. The Fund’s investment consultant reviews the economic market background for the year and the future outlook and Annual Climate Report.

3.10.6 Actuarial Information - describes how the Fund has complied with the Local Government Pension Scheme Regulations 2013 and the Fund’s key funding principles adopted in the Funding Strategy Statement. This section describes the most recent triennial valuation and the key assumptions applied.

#### 4. Relevant Pension Fund objectives

- 4.1 To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies, and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance.
- 4.2 To manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund’s stakeholders, particularly the scheme members and employers.
- 4.3 To ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment.
- 4.4 To continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate.
- 4.5 To administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration.
- 4.6 To maintain accurate records and ensure data is protected and used for authorised purposes only.
- 4.7 To promote the scheme as a valuable benefit.
- 4.8 To deliver accessible communications to stakeholders.
- 4.9 To provide scheme members with up-to-date information about the scheme in order that they can make informed decisions about their benefits.
- 4.10 To seek and review regular feedback from all stakeholders and use the feedback appropriately to shape the administration of the Fund.

#### 5. Implications (including financial implications)

##### 5.1 Resources and financial

5.1.1 There are no resources or financial implications arising from the proposals.

##### 5.2 Legal

5.2.1 The production of the Annual Report is a regulatory requirement and needs to be published by 1 December. As it is proposed that the Committee approves the Annual report at this meeting, this will enable the Fund to meet the timescale for compliance.

5.2.2 Squire Patton Boggs have reviewed the paper for legal implications.

## 5.3 Risk management

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

Risk	Residual risk rating
Failure to administer the scheme in line with regulations and guidance.	Green
Information may not be provided to stakeholders as required	Green
Those charged with governance are unable to fulfil their responsibilities effectively	Green
Risk of fraud and error	Green
Incorrect production of accounts, notices, publications and management reports leading to possible financial and reputational damage.	Green

5.3.2 The executive summary of the Cambridgeshire Pension Fund risk register can be found [here](#).

## 5.4 Consultation

5.4.1 The Pension Fund Annual Report is produced utilising information and advice provided by Investment Managers, the Fund's Custodian, Northern Trust, and the Fund's Actuary, Hymans Robertson.

## 5.5 Background papers

5.5.1 None

## 5.6 Appendices

5.6.1 Appendix 1 – Cambridgeshire Pension Fund Annual Report 2023-24