

CAMBRIDGESHIRE PENSION FUND

To: Pension Fund Board

Meeting date: 25 July 2025

Report by: Mark Whitby
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Subject: Administration Performance Report

Purpose of the report: To present the Administration Performance Report to the Pension Fund Board for the period 1 March to 31 May 2025.

Recommendations: The Pension Fund Board is asked to:

- 1) Note the contents of the report.
- 2) Review the Risk Register located in appendices 5 and 7 (**exempt**).
- 3) Note the admission of the following transferee admission bodies to the Cambridgeshire Pension Fund:
 - ABM Catering Limited (Fulbourn Primary School)
 - Compass Group UK and Ireland Limited (Four C's Multi Academy Trust)
 - Innovate Services Limited (Astrea Multi Academy Trust)
 - KGB Cleaning South West Limited (The Active Learning Trust)
 - ServiceMaster Limited (Heltwate School)
- 4) Note one employer joining Cambridgeshire Pension Fund as a resolution body:
 - Littleport Town Council
- 5) Note the cessation of following admission agreements:
 - Caterlink Limited (The Active Learning Trust)
 - Edwards & Blake Limited (Bassingbourn Primary School)

- Hertfordshire Catering Limited (Hauxton Primary School)
 - ServiceMaster Limited (The Active Learning Trust)
- 6) Note the updates to two previously reported cessations relating to:
- Aspens Services Limited (St John the Baptist Catholic Academy Trust)
 - Burwell Parish Council

Enquiries to:

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1. Background

- 1.1 The report outlines key areas of administration performance for the Cambridgeshire Pension Fund, focusing on:

Administration: The Pension Committee and Board are responsible for the governance and administration of the Cambridgeshire Pension Fund. This report highlights several key areas of the Fund's administration performance for the Committee to review.

Business Plan Updates: The Pension Committee approved the Business Plan and Medium-Term Strategy for 2025/26 on 20 March 2025, and the report provides updates on its progress.

Risk Monitoring: The Cambridgeshire Risk Strategy was reviewed and approved on 20 March 2025. The Local Pension Board and Pension Committee monitor risks quarterly to keep the risk register current, supporting the Pension Regulator's General Code of Practice requirement.

Admissions and Cessations: The report updates on admissions to and cessations from the Pension Fund, including the assessment of funding positions and the handling of exit debits and credits as per the Local Government Pension Scheme Regulations 2013.

2. Executive Summary

- 2.1 This report sets out the administration performance of the Cambridgeshire Pension Fund for the period 1 March to 31 May 2025.
- 2.2 For March 2025, 2 out of 9 KPIs were not met. From April 2025, a new suite of CIPFA KPIs has been implemented, 9 of 28 were not met.
- 2.3 For February 2025 and April 2025, 100% of contribution payments were received on time and for March 2025, 99.8% of contribution payments were received on time. The current yearly average for payments made on time is 99.7% and schedules being received on time is 99.4%. Details of late contribution payments for the reporting period can be found in appendix 2 (**exempt**).
- 2.4 3 business plan activities have a RAG status of amber, with the remaining activities being green. The main contributor to the position of the investment activities is the Fit for the Future consultation and its impact on ACCESS pooling plans. Although progress has been positive since the beginning of the financial year, the status of the unprocessed undecided leaver record is maintained as amber due to the conflicting project priorities within the Service.
- 2.5 3 new risks have been added to the Fund's risk register, with the overall risk score increasing from 229 to 248 and the total number of risks increasing from 32 to 35. A key risk is the current levels of workplace sickness absence within the service.
- 2.6 There were six new employers admitted to the Fund over the reporting period including one resolution body. Four employers exited the Fund and there were two updates on previous cessations, as set out in the recommendations.

3. Issues and Choices

Administration

Administration Performance

- 3.1 During the period 1 March to 31 May 2025, 6 complaints were managed informally by the Operations Manager, for the same period 2 compliments were received. For context, over the same period 7,605 calculation tasks were completed in connection with the Cambridgeshire Fund.
- 3.2 The Fund issues member surveys to scheme members where a check task has been completed on the workflow system. During the period, 441 surveys have been issued to members with response rates varying from 5.88% to 14.62%. Scheme members have given the Fund's administration an average rating of between 3.33 and 3.76 out of 5.00. All feedback is analysed, and changes implemented where necessary.

Pension Service performance against Key Performance Indicators

- 3.3 For March 2025, 2 out of 9 KPIs were not met. From April 2025, a new suite of CIPFA KPIs has been implemented, 9 of 28 were not met.
- 3.4 For the reporting period there was 1 amber KPI and 10 red KPIs. For the majority of missed KPIs the reason for the delays was workflows not being utilised effectively which has been addressed with the individuals concerned and additional training requirements which have also been addressed within the team.
- 3.5 The volume of active retirement quotations is low compared to the volume of actual retirement cases (circa 10%) which can greatly impact the KPI RAG status if individual cases are missed.
- 3.6 In March and April the sickness levels remained higher than desired.
- 3.7 A number of KPIs introduced in April reported on new areas, such as retirement quotations and refunds. Overall performance improved in May when compared to the April.

Customer Journey Key Performance Indicators

- 3.8 The customer journey KPIs for the reporting period are detailed in appendix 1.
- 3.9 Reporting has been developed from March 2025 to analyse employer failures for providing leavers with their rights and options when leaving before retirement age. A total of 80 failures were identified across 20 employers; a failure is where either the employer or the payroll provider sent the leaver notification late. Employers who send late notifications will be monitored and managed by the Employers team as required.
- 3.10 For informing members who retire before their normal pension age and for members who retire on or after their normal pension age, systemic employer failures will be monitored from April onwards. Support will be provided to employers that consistently submit incorrect or late data as improvements in this area would lead to more timely benefit payments to scheme members.

Receipt of employee and employer contributions

- 3.11 Scheme employers 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. Employers must also provide an associated monthly statement/schedule in an acceptable format.
- 3.12 The table in appendix 1 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 payroll periods May 2024 to April 2025. For February 2025 and April

2025, 100% of contribution payments were received on time and for March 2025, 99.8% of contribution payments were received on time. Details of the late contribution payments are detailed in appendix 2 (**exempt**).

Breaches of the Law

- 3.12 There are many laws relating to the Local Government Pension Scheme, with various individuals, including the Pension Committee and Local Pension both (collectively and as individuals) having a statutory duty to report material breaches of those laws to the Regulator. The Cambridgeshire Pension Fund maintains a record of both material breaches that are reported to the Pensions Regulator as well breaches that are deemed not to be of material significance and so are not reported to the Pensions Regulator.
- 3.13 Immaterial breaches for the reporting period are detailed in appendix 1. There were no material breaches.

Details of any Internal Dispute Resolution Procedure (IDRP) cases

- 3.14 Members, prospective members, and beneficiaries may not always agree with pension decisions that are made or may be unhappy that decisions have not been made, by either an administering authority or a scheme employer. The Internal Dispute Resolution Procedure (IDRP) is the route by which they may raise their concerns and challenge such decisions.
- 3.15 Disputes that are upheld at stage 1 may still progress to stage 2 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.
- 3.16 For any dispute that is upheld or partially upheld, an internal review is carried out to minimise the risk of reoccurrence, the review is conducted by a quality assurance board to ensure appropriate oversight.
- 3.17 Details of any stage 1 and stage 2, IDRP cases are detailed in appendix 1. For the reporting period there was 2 new stage 1 disputes and 1 stage 2 dispute.

Material data breaches

- 3.18 No material data breaches occurred during the period.

Significant overpayments

- 3.19 No significant overpayments occurred during the period.

Business Plan activities

- 3.20 All activities are currently green with the exception of 3 ambers. The reasons for the ambers are outlined below:

Processing of undecided leaver records – This continues to be held at amber due to the conflicting project priorities within the Service over the short and medium-term. The target for the 2025-26 financial year is to clear at least 1,000 backlog cases. As at April 2025 the

backlog had reduced by a further 241 from the previously reported number to 6,270 cases. This activity is targeting reducing backlog cases to a baseline of <1,000 by 31 March 2028 at the latest.

Support the build of the ACCESS Financial Conduct Authority (FCA) and regulated entity - Activity being reviewed and reprofiled following Government's response to ACCESS build proposals. Further information provided in ACCESS update at this meeting.

Finalise the transfer of legacy assets into the ACCESS pool - The key asset pooling proposals outlined in the consultation require the Fund to transfer legacy assets to the management of the pool. This activity is also impacted by Government's response to the ACCESS build proposal.

- 3.21 Updates against all the key business plan activities for the reporting period can be found in appendix 3.
- 3.22 The tables in appendix 4 provide an update of the Fund account, investment and administration income and expenditure against the cash flow projection outlined in the Annual Business Plan as agreed by the Pension Committee in March 2025.
- 3.23 There is no update to the 2025-26 forecast. The final position for 2024-25 will be presented in the Fund's statement of accounts.

Risk Monitoring

- 3.24 The risk register has been moved to a new format and can be located in appendices 5 and 7 (**exempt**).
- 3.25 The June review introduced 3 new risks to address. Mitigations have also been updated where appropriate across the risk register.
- 3.26 Proposed changes to individual risks are set out below:

Risk No.	Risk	Risk category	Proposed change(s)
1a	The Pension Fund and its members may become a target for fraudsters and criminals.	Governance	<u>Mitigations updated.</u> Risk likelihood has been increased to reflect the current cost of living crisis and the increased risk to members becoming victims to fraud as highlighted by the Financial Conduct Authority (FCA) and the Pensions Regulator. <u>Risk removed</u> - the previous risk of fraud and error has been removed and is encompassed within risk 1a.
8a	Failure to administer the scheme in line with regulations and guidance.	Governance	<u>Mitigations updated</u> – mitigation 6,7,11,12 have been re-worded.
13a	The operations of the Pension Fund and that of its suppliers	Governance	<u>Action updated.</u> Children's privacy notices are currently being drafted to be aligned with Information

	are interrupted as a result of a cyber-attack		Commissioner's Office (ICO) requirements.
7b	Failure to operate strict financial controls.	Funding	<u>New risk added.</u>
8b	Failure to recover all significant overpayments and debts.	Funding	<u>New risk added.</u>
1c	The ACCESS asset pool does not have the sub-fund choices available to enable the Fund to fulfil its strategic and tactical asset allocation requirements in a timely manner.	Investment	<u>Mitigations updated</u> – all mitigations have been condensed into one, subject to the outcomes of the 'Fit for Future' consultation
2c	As long-term investors, the Fund believes climate risk has the potential to significantly alter the value of the Fund's investments.	Investment	<u>Mitigations updated</u> - all mitigations have been amended to the 2025/26 climate action plan
6c	Investment decisions and portfolio management may not achieve the return required or be performed in accordance with instructions provided.	Investment	<u>Mitigations updated</u> - mitigation 7 now covers two previous mitigations relating to the climate action plan
8c	Government may wish the Fund/ACCESS pool to merge with another pool, which appears contrary to the Fund's best interests and may lead to legal recourse	Investment	<u>New risk added.</u>
2d	Unable to deliver pension services due to an inadequate business continuity plan.	Administration & Communications	<u>New mitigation added</u> – Business Impact assessment now completed
5d	Failure to process all casework in line with service standards and statutory deadlines.	Administration & Communications	<u>Risk wording has been updated.</u>

- 3.27 The Fund's risk assurance table can be located in appendix 6 (**exempt**). High levels of workplace sickness absence continue to pose a risk to the delivery of pension services. All sickness continues to be managed in accordance with HR policy.
- 3.28 The Fund's risk management dashboard can be located in appendix 8. The risk management dashboard now reflects the changes in the number of risks and total risk index, the overall risk score increasing from 229 to 248 and the total number of risks increasing from 32 to 35 due to the addition of 3 new risks.

Employers Admissions and Cessations

- 3.29 Six employers have joined the Fund since the last meeting of the Committee. Details of the admissions are contained in appendix 9.

New admission bodies:

- ABM Catering Limited (Fulbourn Primary School)
- Compass Group UK and Ireland Limited (Four Cs Multi Academy Trust)
- Innovate Services Limited (Astrea Multi Academy Trust)
- KGB Cleaning South West Limited (The Active Learning Trust)
- ServiceMaster Limited (Heltwate School)

New resolution body:

- Littleport Town Council

- 3.30 The admission agreement has ceased for the following admitted bodies. Details of each cessation are contained in appendix 9.

New cessations:

- Caterlink Limited (The Active Learning Trust)
- Edwards & Blake Limited (Bassingbourn Primary School)
- Hertfordshire Catering Limited Hauxton Primary School)
- ServiceMaster Limited (The Active Learning Trust)

- 3.31 Exit credit determinations have been made for the following exiting employers. The result of each determination is contained in appendix 9.

Update on previously reported cessations:

- Aspens Services Limited (St John the Baptist Catholic Academy Trust)
- Burwell Parish Council

4. Relevant Pension Fund Objectives

To ensure compliance with the LGPS Regulations and other legislation and guidance, including the Pensions Regulator's Code of Practice.
To manage the Fund in a fair and equitable manner and be accountable to the Fund's stakeholders.
To ensure individuals responsible for managing the Fund and delivering its services have the appropriate knowledge and expertise.
To continually measure and monitor success against the Fund's objectives.
To ensure robust processes, controls and risk management are in place.
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, effective and cost-efficient manner, utilising technological solutions and collaboration.

5. Risk Management

- 5.1 The Fund’s Administration Strategy sets out the performance standards of both the scheme employer and the administering authority. The Pension Fund Committee and Pension Fund Board are expected to monitor performance standards through information contained within the Administration Report which is presented at each meeting.
- 5.2 The mitigated risks associated with this report have been captured in the Fund’s risk register as detailed below –

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

why assets remain outside the pool.	
The Pension Fund and its members may become a target for fraudsters and criminals.	Amber
The Pension Fund fails to comply with legal duties in connection with Pension Dashboards	Green
Unable to deliver pension services due to high levels of workplace sickness absence	Amber

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

6. 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.
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7. Finance & Resources Implications

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

8. Legal Implications

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

9. Consultation with Key Advisers

9.1 None.

10. Alternative Options Considered

10.1 Not applicable

11. Background Papers

11.1 Not applicable

12. Appendices

- 12.1 Appendix 1 Administration performance
- 12.2 Appendix 2 Late payment of employer contributions **exempt**
- 12.3 Appendix 3 Business Plan updates
- 12.4 Appendix 4 Business Plan financials
- 12.5 Appendix 5 Risk register public

- 12.6 Appendix 6 Risk Assurance Table exempt
- 12.7 Appendix 7 Risk register exempt
- 12.7 Appendix 8 Risk Dashboard
- 12.8 Appendix 9 Admissions and Cessations