

## **Appendix A**

### **9. PENSION FUND COMMITTEE**

#### **Membership**

| <b>Representatives of</b>                           | <b>Number of seats</b> | <b>Term of Appointment</b>            | <b>Method of Appointment</b>   |
|---|------------------------|---------------------------------------|--|
| <b>Cambridgeshire County Council Members</b>        | 6                      | 4 years from County Council elections | Determined by Cambridgeshire County Council Full Council.  |
| <b>All other local authorities, police and fire</b> | 2                      | 4 years                               | Nominations determined by a leaders/chief executives' group. Selection would be linked to the respective employers' election cycle. Details of process to be agreed by the Chairman/woman.   |
| <b>All other employers</b>                          | 1                      | 4 years from 2014                     | Nominations to be determined by eligible employers. Details of process to be agreed by the Chairman/woman.   |
| <b>Active scheme members</b>                        | 1                      | 4 years from 2014                     | Determined by Unison. Where Unison fails to nominate a Committee Member for any period of 6 months or more, nominations will be requested from all eligible active scheme members and a representative will be picked following interviews. Details of process to be agreed by the Chairman/woman.                 |
| <b>Deferred and pensioner scheme members</b>        | 1                      | 4 years from 2014                     | Determined by Unison. Where Unison fails to nominate a Committee Member for any period of 6 months or more, nominations will be requested from all eligible deferred and pensioner scheme members and a representative will be picked following interviews. Details of process to be agreed by the Chairman/woman. |
| <b>Total Committee Members</b>                      | 11                     |                                       |  |

Substitutes: Full Council may appoint substitute members to the Pension Fund Committee in accordance with the scheme of substitution.

The Chairman/woman and Vice-Chairman/woman of the Committee shall be elected by the Pension Fund Committee.

| Delegated Authority  | Statutory Reference/ Condition                       |
|--|--|
| <p>Authority to set the pension fund's objectives and determine and maintain appropriate strategies, policies and procedures with ongoing monitoring in relation to the following areas:</p> <ul style="list-style-type: none"> <li>• Funding Strategy – ongoing monitoring and management of the liabilities including ensuring appropriate funding plans are in place for all employers in the Fund, overseeing the triennial valuation and interim valuations, and working with the actuary in determining the appropriate level of employer contributions for each employer.</li> <li>• Investment strategy – to determine the Fund's investment objectives and to set and review the long-term high level investment strategy to ensure these are aligned with the Fund's specific liability profile and risk appetite.</li> <li>• Administration Strategy – the administration of the fund including collecting payments due, calculating and paying benefits, gathering from and providing information to scheme members and employers.</li> <li>• Communications Strategy – determining the methods of communications with the various stakeholders including scheme members and employers.</li> <li>• Discretions – determining how the various administering authority discretions are operated for the Fund.</li> <li>• Governance - the key governance arrangements for the Fund, including representation.</li> <li>• Risk Management Strategy – to include regular monitoring of the Fund's key risks and agreeing how they are managed and/or mitigated.</li> </ul> | <p>Regulations under the Superannuation Act 1972</p> |
| <p>Authority to approve and apply the policy on, and to take decisions relating to, employers joining and leaving the Fund. This includes which employers are entitled to join the Fund, any requirements relating to their entry, ongoing monitoring and the basis for leaving the Fund.</p>  | <p>As above</p>                                      |
| <p>Authority to agree the terms and payment of bulk transfers into and out of the Fund in consultation with the S.151 Officer.</p>   | <p>As above</p>                                      |
| <p>Authority to consider and approve business plans at least annually and monitor progress against them and to monitor compliance with the Myners Principles on an annual basis.</p>   | <p>As above</p>                                      |



| <b>Delegated Authority</b>   | <b>Statutory Reference/ Condition</b>         |
|--|---|
| Authority to develop and maintain a training policy for all Pension Fund Committee and sub-committee members and for all officers of the Fund, including determining the Fund's knowledge and skills framework, identifying training requirements, developing training plans and monitoring attendance at training events. | Regulations under the Superannuation Act 1972 |
| Authority to select, appoint, monitor and where necessary terminate advisors to the Fund not solely relating to investment matters.  | As above                                      |
| Authority to approve and issue Administering Authority responses to consultations on LGPS matters and other matters where they may impact on the Fund or its stakeholders.   | As above                                      |
| Authority to consider and determine where necessary, alternative investment strategies for participating employers.  | As above                                      |
| Authority to oversee the work of the Investment Sub-Committee and consider any matters put to them by the Investment Sub-Committee.  | As above                                      |
| Authority to set up Sub-Committees and Task and Finish Groups including jointly with other LGPS Administering Authorities.   | As above                                      |
| Authority to review and amend the Statement of Investment Principles on an annual basis, in consultation with the S.151 Officer.   | As above                                      |
| Authority to manage any other strategic or key matters pertaining to the Fund not specifically listed above.   | As above                                      |

## 9.1 PENSION FUND COMMITTEE INVESTMENT SUB-COMMITTEE

The Pension Fund Committee shall establish an Investment Sub-Committee with the following membership and powers:-

### Membership

All Investment Sub-Committee Members shall be drawn from Committee membership. The Chairman/woman and Vice-Chairman/woman of the Investment Sub-Committee shall be the Chairman/woman and Vice-Chairman/woman of the Committee respectively.

| Representatives of                           | Number of seats | Term of Appointment  | Method of Appointment   |
|--|-----------------|--|---|
| <b>Cambridgeshire County Council Members</b> | 4               | As above   | Determined by Cambridgeshire County Council representatives on the Committee. Details of process to be agreed by the Chairman/woman.              |
| <b>All other employers</b>                   | 2               | Up to term of office ceasing in accordance with Committee membership or six years whichever is later | Determined by non-Cambridgeshire County Council employer representatives at the Committee. Details of process to be agreed by the Chairman/woman. |
| <b>Scheme member representative</b>          | 1               | Up to term of office ceasing in accordance with Committee membership or six years whichever is later | By agreement between Active and Deferred/Pensioner Representatives on Committee. Details of process to be agreed by the Chairman/woman.           |
| <b>Total</b>                                 | <b>7</b>        |  |   |

**Substitutes:** the Pension Fund Committee may appoint substitute members to the Investment Sub-Committee in accordance with the scheme of substitution. Similarly, substitutes for the representatives of All other employers and of Scheme members may be appointed by eligible employers and by Unison respectively.

| Delegated Authority   | Statutory Reference/ Condition                |
|---|---|
| Authority to implement the Fund's investment strategy.  | Regulations under the Superannuation Act 1972 |
| Authority to review and maintain the detailed asset allocation of the Fund within parameters agreed with the Committee. | As above                                      |

| Delegated Authority   | Statutory Reference/ Condition                |
|---|---|
| Authority to appoint and terminate investment managers to the Fund and to monitor the performance of investment managers leading to review and decisions on termination where necessary.  | As above                                      |
| Authority to appoint and monitor and where necessary terminate external advisors and service providers solely relating to investment matters, for example, the Fund Custodian, independent investment advisers, investment consultants and investment managers.   | Regulations under the Superannuation Act 1972 |
| Authority to set benchmarks and targets for the Fund's investment managers.   | As above                                      |
| Authority to monitor the risks inherent in the Fund's investment strategy in relation to the Fund's funding level.  | As above                                      |
| Authority to determine operational matters such as rebalancing and the most appropriate methodology for asset transitions within parameters agreed by the Pension Fund Committee.   | As above                                      |
| <p>Authority to monitor and review:</p> <ul style="list-style-type: none"> <li>Legislative, financial and economic changes relating to investments and their potential impact on the Fund;</li> <li>The investment management fees paid by the Fund and to implement any actions deemed necessary;</li> <li>The transactions costs incurred by the Fund across its investment mandates and raise relevant issues and concerns with the investment managers as necessary;</li> <li>The investment managers' adoption of socially responsible investment considerations, on an annual basis, including corporate governance matters and a review of compliance with the UK Stewardship Code.</li> </ul> | As above                                      |
| Authority to receive reports on Interim Manager meetings and other operational meetings.  |   |
| Authority to undertake any task as delegated by the Pension Fund Committee.   | As above                                      |
| Authority to provide minutes and such other information to the Pension Fund Committee as they may request from time to time.  |   |

## 9.2 PENSION FUND BOARD

The Council shall establish a local pension board with the following membership and powers:-

### Membership

| Representatives of | Number of seats | Term of Appointment  | Method of Appointment   |
|--------------------|-----------------|--|---|
| Employers          | 3               | 4 Years<br>or until qualification<br>for membership<br>ceases    | At least two representatives to be<br>appointed by Cambridgeshire<br>County Council Full Council<br><br>One representative appointed via<br>an open and transparent selection<br>process. |
| Scheme Members     | 3               | 4 Years<br>or until<br>qualification for<br>membership<br>ceases | To be appointed via an open and<br>transparent selection process.   |
| Total              | 6               |  |   |

| Delegated Authority   | Statutory Reference/<br>Condition   |
|---|---|
| Authority to assist the administering authority in securing compliance with (i) the Principal 2013 Regulations, (ii) any other legislation, and (iii) requirements imposed by the Pensions Regulator in relation to the Scheme. | Local Government Pension Scheme (Amendment) Regulations 2014 (Regulation 106(1)(a) & (b)) |
| Authority to assist the administering authority in ensuring the effective and efficient governance and administration of the Scheme.  | As above (Regulation 106(1)(b))   |

The Chairman/woman and Vice-Chairman/woman of the Board shall be elected by the Pension Fund Board.