

**CAMBRIDGESHIRE
PENSION FUND**



Pension Fund Board

Date: 18 December 2014

Report by: The Deputy Head of Pensions

Subject:	Effectiveness Review
Purpose of the Report	To provide a framework around which serving Members, Co-Optees and Representatives can comment on the effectiveness of the Pension Fund Board and Investment Sub-Committee.
Recommendations	<p>1. That the Board note the attached questionnaire to be used for gathering opinion on the effectiveness of the Pension Fund Board and Investment Sub-Committee.</p> <p>2. That the Board note that the questionnaire be returned to LGSS Pensions Service by 31 January 2015.</p> <p>3. That the Board note that a report on the results of the effectiveness review will be presented at the March Board meeting.</p>
Report Author and Enquiries to:	Jo Walton, LGSS Pensions Service Governance Officer Tel: 01604 367030 Email: jwalton@northamptonshire.gov.uk

1. Summary of report

- 1.1 It is considered good governance to regularly review the effective running of the relevant committees that the administering authority, Cambridgeshire County Council, to which it has discharged its duties to deliver the Local Government Pension Scheme.

2. Background

- 2.1 The duties discharged by the administering authority are managed through the Pension Fund Board and Investment Sub-Committee.
- 2.2 The purpose of the Pension Fund Board is to set the Pension Fund objectives and determine and maintain appropriate strategies, policies and procedures. The Board have a responsibility to look after the interests of its stakeholders and to make informed decisions. The Pension Fund Board also provides ongoing monitoring of day to day functions of the administration, governance and investment function of the Fund.

- 2.3 The role of the Investment Sub-Committee is to provide operational governance of investments. Major policy decisions on investment matters are processed through the Pension Fund Board following discussions and recommendations from the Investment Sub-Committee.
- 2.4 From 1 April 2015, a further level of governance will be introduced in the form of a local pension board following the passing of the Public Services Pensions Act 2013 that followed on from Independent Public Service Pensions Commission review. The local pension board will assist the administering authority in securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme. The local pension board will also be responsible for assisting the administering authority in the effective and efficient running of the Fund.

3. Effectiveness review

- 3.1 It is an opportune time to review the effectiveness of the Pension Fund Board and Investment Sub-Committee with the introduction of the local pension board with effect from 1 April 2015. The current governance arrangements have not been subject to a recent review and it would be useful to conduct this review at this time to ensure the all three Boards and Committees can be run efficiently alongside each other.
- 3.2 A simple questionnaire has been produced to allow Pension Fund Board and Investment Sub-Committee members to comment on specific questions in the following areas;
- The running of meetings
 - Pension Fund objectives
 - Pension Fund risks
 - Board member responsibilities
 - Training opportunities
 - Support from appointed advisors
 - Relationship with stakeholders
- 3.3 The questionnaire has a rating system and also allows for free text responses to obtain greater detail on the opinions of those completing the survey.
- 3.4 It is proposed that Pension Fund Board and Investment Sub-Committee members be asked to complete the questionnaire by 31 January to ensure that the responses be captured and presented to the Board in March 2015.
- 3.5 The Board will then be given the opportunity to consider the responses to the questionnaire and how they wish to move forward with any improvements.
- 3.6 To ensure maximum value is achieved from this exercise that a follow-up review be carried out at the end of 2015-16 where the members of the local pension fund board can also be consulted.

4 Relevant Pension Fund Objectives

Perspective	Outcome
Governance	<ul style="list-style-type: none">• To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies.• To ensure the Fund and its stakeholders have the appropriate skills, and to receive training to ensure those skills are maintained in a changing environment.

5. Finance & Resources Implications

- 5.1 There may be resource implications if the results of the effectiveness review result in recommendations to increase the servicing of the board by either officers of the Fund, Democratic Services or by any professional advisor.

6. Risk Implications

- 6.1 Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
The outcome of the review could increase the burden on the resources of the service.		Green

6.2 Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
Not reviewing the effectiveness of the Board and ISC could result in a range of issues including ineffective decision making, lack of scrutiny and leadership.	Red

7. Communication Implications

Direct communications	There are no communication implications.
Website	There are no communication implications.
Newsletter	There are no communication implications.
Induction	There are no communication implications.
Seminar	There are no communication implications.
Training	There are no communication implications.

8. Legal Implications

There are no legal implications of the board agreeing to the proposals of conducting an effectiveness review.

9. Consultation with Key Advisors

No advisors have been consulted in relation to the proposals within this report.

10 Alternative Options Considered

An alternative to this proposal is to enlist an external advisor to carry out an independent review. This option may incur additional fees.

11. Background Papers

None.

12. Appendices

12.1 Appendix 1 – Pension Fund Board and Investment Sub-Committee effectiveness review questionnaire

Checklist of Key Approvals	
Is this decision included in the Business Plan?	No
Will further decisions be required? If so, please outline the timetable here	Dependant on the outcome of the effectiveness review.
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by The Director of Finance/Section 151 Officer?	Yes – Chris Malyon 28/11/2014
Has this report been cleared by The Deputy Head of Pensions?	Yes, Mark Whitby – 25/11/2014
Has the Chairman of the Pension Fund Board been consulted?	Yes, Councillor Hickford – 26/11/2014
Has this report been cleared by Legal Services?	Yes, Laurie Gould – 28/11/2014