

Executive Summary

We have been asked by LGSS Pensions (the pensions administration service for the Northamptonshire Pension Fund and the Cambridgeshire Pension Fund), to undertake an effectiveness review of the Local Pension Board of Cambridgeshire Pension Fund. The Cambridgeshire Pension Fund is part of the national Local Government Pension Scheme (LGPS) in England and Wales.

The purpose of the review is to comment on whether, based on our observations, the Local Pension Board is fulfilling its role to support the Administering Authority in meeting their regulatory requirements, as well as the administering authority's own internal aims and objectives. In addition, it is assessing whether the Board is adding value over and above the remit of the Pensions Committee while working in partnership with them.

We have drawn on experience from similar reviews with other LGPS funds which enables us to use our understanding of best practice when determining our recommendations. We have also compared the activity of the Board against the relevant areas of the Aon's governance framework. The report assesses the Cambridgeshire Pension Board against the following three areas:

- The appropriate governance structure
- Knowledge and skills requirements
- Behaviour of the Board

The main research for this report was undertaken through observation at the Cambridgeshire Local Pension Board on 19 October 2018 and a review of available agenda and papers for the meeting.

The Cambridgeshire Local Pension Board undertakes its role and responsibilities in an effective manner. The members of the Board are engaged and overall show good participation. We have noted 7 recommendations for the Cambridgeshire Local Pension Board and have put forward suggestions to improve the effectiveness of the Board to assist them in undertaking their roles and responsibilities. We have also noted that there is an excellent level of detail provided to the Board and it works in a transparent way with information about its activities available publicly.

We also identified some areas which we believe could be improved, and we therefore made some recommendations, which could be categorised as practical items such as the process for decisions made at Board meetings and documentation setting out its terms of reference. There are areas of activity which could also be undertaken by the Board including reviewing breaches and stronger links to the decision making Pensions Committee. Finally, there are some recommendations regarding training and considering how best to have discussions about training requirements as well as how to more clearly document and share training that has been undertaken.

Next Steps

We understand this report will be considered by officers of LGSS and the Pension Board at their next meeting on 15 February 2019. We look forward to answering any questions and discussing the conclusions with officers and the Board. We recommend that an action plan is developed in relation to implementing these recommendations, in order that progress can be monitored on an ongoing basis.

Cambridgeshire Local Pension Board Effectiveness Review

Table of Contents

1. Introduction	4
2. Governance Framework	6
3. Local Pensions Boards	10
4. Assessing the Board against an appropriate governance structure	12
5. Assessing the Knowledge and Skills of the Board	17
6. Behaviour of the Board	19
7. Summary of recommendations	22
Appendix A – Reference Material	23

1. Introduction

Purpose and scope

This report sets out the findings of Aon's effectiveness review of the Local Pension Board the Cambridgeshire Pension Fund. The Fund is administered by LGSS who commissioned the report. Cambridgeshire County Council is the Administering Authority for the Cambridgeshire Pension Fund and is part of the Local Government Pension Scheme (LGPS). The Pension Board has been in place since July 2015.

The purpose of the review is to comment on whether, based on our observations, the Local Pension Board are fulfilling their role to support the Administering Authority in meeting their regulatory requirements, as well as their administering authority's own internal aims and objectives. In addition, it is assessing whether the Board is adding value over and above the remit of the Pensions Committee while working in partnership with them.

In undertaking this review Aon drew on experience from similar reviews with other LGPS funds which enables us to use our understanding of best practice when determining our recommendations. We have considered the requirements of the Pensions Regulator as set out in their Code of Practice 14: Governance and Administration of Public Service Pension Schemes. We have also compared the activity of the Board against the relevant areas of Aon's governance framework. The Aon governance framework is explained further in the next section of this report. The report assesses the Cambridgeshire Pension Board against the following three areas:

- The appropriate governance structure;
- Knowledge and skills requirements;
- Behaviour of the Board

The report structure mirrors those three areas and details findings and recommendations for the Cambridgeshire Pension Board.

The review has been carried out at a high level and did not involve any detailed investigation into services such as administration, communications, funding or investments or the decision-making Pension Committee of the Administering Authority. Accordingly, it does not provide any technical comment in relation to any of these areas. The review does include consideration, at a high level, of the legal requirements relating to governance, for example, the requirement to publish certain policies and strategies under LGPS legislation. Though it includes some legal elements, these are presented by us in our capacity as pension consultants and not as legal experts, and as such, nothing in this report should be considered as legal advice.

Research and information

The information upon which this review has been based has been gathered by:

- Desk-top review of the terms of reference for the Cambridgeshire Pension Board and relevant governance policies relating to the Fund.
- Observations made by Catherine Pearce and Mary Lambe from attending the Cambridgeshire Local Pension Board on 19 October 2018 and a review of available agenda and papers for the meetings.

We would like to thank the LGSS officers and the members of the Pension Board for their assistance throughout this review. It has been a pleasure working with them.

We hope the information contained within this report is useful to the Pension Board, Pension Committee and LGSS officers in considering suggestions for improving the way the Board operate.

We look forward to answering any questions in relation to the report, and particularly any areas where we have highlighted that improvements could be made.

We recommend that an action plan is developed in relation to implementing these recommendations in order that progress can be monitored on an ongoing basis.

2. Governance Framework

This section describes Aon's best practice framework. Relevant parts of this framework have been used in the effectiveness review of the Board.

There are some key benefits from having effective governance in place, including:

- Robust risk management that can assist in preventing issues from arising, or at least reducing their impact should they arise
- Ensuring resources and time are appropriately focussed
- Timely decision making and implementation of change
- A clear view of how the Fund is being operated and making use of the Pension Board.

At Aon, we have a number of beliefs when it comes to achieving good governance including:

- Direction – having clear strategies and policies that also meet legislative requirements is fundamental
- Delivery – having a clear plan for implementing the Fund's strategies and policies, together with appropriate monitoring as to whether they are being achieved, and good risk management ensure effective and efficient delivery
- Decisions – having an appropriate governance structure, involving the right people, with the right attitude and the appropriate skills and knowledge is key.

These beliefs are shown in the following diagram and described in more detail below.



Table 1 – Aon governance framework

Direction – What are you trying to achieve?	
Legislation and guidance	The Fund's strategies and policies should be in line with legislative requirements and any related professional guidance.
Strategies and policies	<p>The Fund's strategies and policies should clearly set out the aims, principles, protocols and environment for how the Fund is managed. The strategies and policies:</p> <ul style="list-style-type: none"> ▪ should be wide ranging covering all key areas including funding, investments, administration, communications and governance itself ▪ should be clearly articulated, to provide a framework within which those managing the Fund are able to operate ▪ should provide the focus for all future decisions and plans ▪ should be agreed by those responsible for governing the Fund.
Delivery – How do you meet your aims?	
Business Planning	<p>The Fund should have a business plan, setting out required activities in the forthcoming period. Those activities:</p> <ul style="list-style-type: none"> ▪ should be driven by the Fund's strategies and policies ▪ will include activities driven by changes in overriding legislation.
Performance Measurement	<p>Those responsible for governing the Fund should be provided with appropriate performance information. Measurements should:</p> <ul style="list-style-type: none"> ▪ illustrate whether the Fund's aims are being achieved ▪ cover the full range of key areas (e.g. investments, funding, governance, communications and administration) ▪ illustrate whether the Fund's business plan is being achieved ▪ be updated in accordance with appropriate timescales ▪ be presented in a manner that is easy to follow and understandable to those governing the Fund ▪ assist in identifying changes to the Fund's business plan, strategies, policies and aims.
Risk Management	<p>Effective risk management is critical to minimise the impact and/or probability of unfortunate events and to maximise the realisation of opportunities. It should be:</p> <ul style="list-style-type: none"> ▪ aligned with the Fund's aims ▪ a key consideration in decision making ▪ systematic or structured ▪ an integral part of the Administering Authority's processes and procedures on a daily basis.

Decisions – Do you have effective decision making?

<p>Governance structure</p>	<p>There is no one 'correct' governance structure. The Administering Authority's structure should:</p> <ul style="list-style-type: none"> ▪ have clear terms of reference ▪ have a clearly documented scheme of delegation ▪ allow decision making at the appropriate level ▪ allow quick decision making where appropriate ▪ include appropriate representation from stakeholders ▪ involve well-presented information/reports ▪ ensure the full range of subject matters are being considered ▪ allow sufficient time for discussion where necessary ▪ have good quality (committee and board) administration (e.g. issuing papers in good time) ▪ involve a process for managing conflicts ▪ provide transparency to stakeholders where appropriate.
<p>Behaviour</p>	<p>A good governance structure will not be effective unless it involves the right people with the right attitude. Individuals should:</p> <ul style="list-style-type: none"> ▪ have a high level of attendance at meetings ▪ demonstrate integrity in relation to their Fund role ▪ be engaged and provide appropriate challenge ▪ be accountable for the decisions made ▪ highlight any potential conflicts they may have ▪ for a Chairperson, manage the meetings fairly without any bias to individuals or self ▪ prepare adequately for meetings.
<p>Skills and knowledge</p>	<p>A critical element is the need for those managing the Fund to have the appropriate level of knowledge and skills. Administering Authorities should:</p> <ul style="list-style-type: none"> ▪ clearly articulate the knowledge and skills requirements in a Fund policy ▪ provide ongoing training in an effective and suitable manner to meet those requirements ▪ regularly review whether knowledge aspirations are being met ▪ ensure they rely appropriately on officers and advisers to provide expert knowledge.

The report assesses the Board against the decisions part of Aon's governance framework under the areas of:

- The appropriate governance structure;
- Knowledge and skills requirements, and
- Behaviour of the Board

We include comments which we hope are useful to the Board, LGSS officers and the Administering Authority of the Fund, in highlighting areas of good practice but also identifying areas for potential improvement in the way the Board operates. To provide some greater clarity on the intention of our comments, we have included graphics to illustrate whether they are:

-  positive – meets legal requirements, national guidance and good practice.
-  negative – requires improvement as it does not meet legal requirements or practices we consider key to good governance.
-  neutral – meets legal practice, in the main, but could be improved to meet good practice or national guidance.

3. Local Pensions Boards

In this section we briefly consider the introduction of Local Pensions Boards, their roles and responsibilities and the role of the Pensions Regulator in the LGPS.

Introduction of Local Pensions Boards

Local Pensions Boards were introduced to the LGPS from 1 April 2015 following the introduction of the Public Service Pension Schemes Act 2013 which heralded a new framework for governance and administration of public service pension schemes as well as bringing those schemes under the jurisdiction of the Pensions Regulator.

Over the past three years Local Pension Boards have developed, growing into their role to assist scheme managers (i.e. the administering authority) in relation to securing compliance with scheme regulations and other legislation relating to the governance and administration of the scheme. As with any new structure it takes time for its value to be known and understood. The value which these non-decision-making boards can make to the governance and administration of LGPS funds is now better appreciated. Acting as a critical friend, Boards are providing a support to pension committees across the LGPS.

Following a reasonable period of operation and activity now is perhaps an ideal time to review the effectiveness of the Local Pensions Board. In doing so we can aim to assess the Board's work to understand if they are adding value and if they are fulfilling the various requirements and responsibilities which they are tasked with.

Nationally it appears that Local Pension Boards do vary, from their composition and frequency of meetings, to the areas they are tasked with and how effective they are in assisting the scheme manager. In the case of the Cambridgeshire Local Pension Board there is clearly a good level of engagement and interaction at the Board. This report summarises how effective the Board is in carrying out their role and responsibilities.

Role and responsibilities of Local Pensions Board

The exact role of a Local Pension Board is not prescribed. There are two core functions as set out in legislation. The first of these is that the Board assists the Administering Authority in securing compliance with the LGPS regulations and any other legislation relevant to the governance and administration of the scheme. Some examples of areas that would fall into this function include reviewing information provided to the Pensions Committee and how decisions are made by that Committee, reviewing scheme employers and their compliance with duties, assisting with and reviewing Fund documentation required in regulations, and assisting with the development of and continually reviewing scheme member (such as Annual Benefit Statements) and employer communications as required by the Regulations and relevant legislation.

The second function is to ensure the effective and efficient governance and administration of the scheme. Examples of this are monitoring key performance indicators and targets in areas of administration, governance and investments, reviewing the Funds risk register, and assisting with the development of improved customer services.

Role and view of the Pensions Regulator

The powers of the Regulator were extended under the Public Services Pensions Schemes Act 2013 to cover some aspects of public service pension schemes, including the LGPS. The Regulator issued its Code of Practice 14: Governance and Administration of Public Service Pension Schemes which covers:

- knowledge and understanding required by Local Pensions Board members;

- conflicts of interest and representation;
- reporting breaches of the law;
- publishing information about schemes;
- internal controls;
- scheme record-keeping;
- maintaining contributions
- providing information to members; and
- internal dispute resolution.

In November 2018 the Pensions Regulator outlined in a presentation to LGPS Pensions Managers that there remains some confusion around the roles and responsibilities of Local Pension Boards. They went on to state that there are a variety of practices in how scheme managers work with their Local Pensions Board, and that scheme managers should use the valuable resource they have. They encourage Local Pension Boards to take on an active role in identifying key risk and driving forward improvements in funds.

4. Assessing the Board against an appropriate governance structure

In this section we consider the Board's effectiveness by considering the structure it operates in.

Introduction

An effective Local Pension Board should help the Administering Authority to set the Fund's direction, help the Fund meet its aims and for members of the Board to have the appropriate knowledge and skills to undertake their role. For that to happen the process must occur within a suitable governance structure. These areas are in line with the those noted in section 2 of this report, through Aon's governance framework. In this section of the report we will assess the Boards' effectiveness by considering the structure it operates in at present including:

- whether there are clear terms of reference and clearly documented scheme of delegation
- that the structure allows decision making at the appropriate level and quick decision making where appropriate
- there is appropriate representation from stakeholders
- the Board receives well-presented information/reports
- a proper range of subject matter is being considered at the Board
- there is sufficient time for discussion
- there is a process for managing conflicts
- the activity of the Board is transparent to stakeholders

In the table that follows we summarise the findings from our desk-based research and observation at the Local Pension Board meeting.

Key areas	Cambridgeshire Local Pension Board
<p>Clear terms of reference and clearly documented scheme of delegation</p>	<p> Article 9.2 of Cambridgeshire County Council's constitution is comprehensive setting out the membership, notice of meetings, chairmanship, inclusion of other members, reporting, knowledge and understanding, members' conduct, termination of membership, role of advisors, urgent items and publication of information, working groups, expenses and public access to board meetings and information.</p> <p>The Scheme of Delegation for the Board is included in the Governance Policy and Compliance Statement. A more detailed description of the areas the Board is responsible for should be considered. We recommend that examples are used in the Terms of Reference so as retain the Board's flexibility to consider all areas under their overall regulatory responsibilities. For example, we understand that a plan is in place to ensure that the Board has a greater role to play developing, monitoring and reviewing the Fund's risk register in the future. We recommend its inclusion and believe it would provide helpful clarity for the Board on part of its role noting that the Pensions Committee must regularly consider this as part of its risk management responsibility.</p> <p>A small but important point is that the quoracy requirements are not stipulated and should be included.</p>
<p>The structure allows decision making at the appropriate level and quick decision making where appropriate</p>	<p> The Board's link to the decision-making Pensions Committee is evident, noting that information shared with the Pensions Committee is made available to the Board. The link could be strengthened and made more explicit with the inclusion of an agenda item to consider the most recent Pension Committee papers directly. This would allow the Board to consider the areas being covered at each Committee meeting and identify any areas of concern or interest which should be pursued by the Board.</p>
<p>Includes appropriate representation from stakeholders</p>	<p> The Board is made up of:</p> <ul style="list-style-type: none"> ▪ Three employer representatives: two drawn from the administering authority Cambridgeshire County Council and one from a scheme employer (appointed via an open selection process) ▪ Three employee representatives (appointed via an open selection process). <p>We consider that the involvement of the wide range of stakeholders on the Board provides a good opportunity for stakeholders to feed into the governance of the Fund. The composition of the Board meets with the requirements of the LGPS regulations.</p>

Key areas	Cambridgeshire Local Pension Board
<p>Receives well-presented information/reports</p>	<p> Information provided</p> <p>An excellent level of detail is included in the papers for the Board including wider information from national exercises and cases. The explanation provided by officers at the observed meeting was clear and sufficiently detailed.</p> <p>There were some comments from Board members at the meeting regarding the information in the papers; these were minor, and we felt did not warrant concern.</p> <p> Link to Pension Committee</p> <p>The role of the Board is to act as a critical friend to the Pension Committee and officers to ensure the effective and efficient administration and governance of the scheme.</p> <p>We understand that the Board sees the same information as the Committee, but we would suggest that a more explicit acknowledgement of the information the Committee receives, and the minutes of those meetings is followed. This could be achieved by ensuring that the Board's agenda has an item which enables a review of the most recent committee papers and minutes.</p> <p>The Chair of the Board is engaged with the Committee having attended the previous meeting, but it was not evident that other members of the Board had attended the Committee, and this should be encouraged for all members of the Board.</p>

Key areas	Cambridgeshire Local Pension Board
<p>A proper range of subject matter is being considered by the Board</p>	<p> Linking issues at a strategic level and from previous Board meetings</p> <p>The Board has a helpful actions log to note progress against items from earlier meetings. There was a good discussion at the meeting about linking administration issues to the resources available, demonstrating the effective role of the Board in assisting the Scheme Manager.</p> <p>In addition, items raised were noted by the Chair as actions or areas to progress between meetings allowing for areas to be developed and then further explored by the Board at future meetings.</p>
	<p> Key Performance Indicators (KPIs)</p> <p>The statistics provided to the Board in some cases state the statutory requirement however the description provided does not outline the legal timescale. This was not interrogated by the Board.</p> <p>The legal requirements which Funds must meet could be used to inform and link to internal targets and expected overall turnaround times. The Administering Authority should measure against the Fund's specific target timescales. There are no nationally agreed LGPS timescales, but helpful benchmarking is available.</p>
	<p>We understand that LGSS are undertaking work in this area with plans in place to consider customer journey performance indicators within the next year and our recommendation would be that following that work the information supplied to the Board includes both internal service standards and statutory requirements as well as member experience information.</p>
	<p> Reviewing Breaches</p> <p>It would be expected that the Board reviews breaches. We note that at the July 2018 meeting the Board considered the changes in the Pensions Regulator Policy on reporting breaches of the law however the only breach that appears to be reported to the observed meeting is the late payment of contributions by employers. For example, one would have anticipated an update on the Annual Benefit Statement exercise at the meeting given that the deadline date passed on 31st August. We would also expect to see information about breaches of legal timescales for notifying members in various circumstances (as mentioned in the KPI section above).</p>
<p> Business Plan</p> <p>A clear and helpful Pension Fund Business Plan Update was considered by the Board. A suggestion for this activity going forward would be to consider how the business plan is presented. It could for example be presented as a three-yearly rolling plan that includes when various policies and strategies need to be reviewed.</p>	

Key areas	Cambridgeshire Local Pension Board
<p>Sufficient time for discussion</p>	<p> Meeting planning</p> <p>The meeting was well planned and ran ensuring there was adequate time to cover all agenda items thoroughly. A small point was that it was not clear what the end time of the meeting was and it would be good practice to set out the allotted time for the meeting and from that the likely time for each agenda item to ensure all Board members are aware of the time needed for each meeting – one member had to leave early which might have been avoided with a defined end time.</p> <p> Engagement of Board members</p> <p>There was the opportunity for all Board members to participate and ask questions to clarify understanding which took place across the Board.</p>
<p>Managing actual and potential conflicts of interest</p>	<p> Managing conflicts of interest</p> <p>There is a legal requirement for members of the Pensions Board not to have a conflict of interest and this is covered in the Board's terms of reference and the Board's Conflict of Interest Policy. Having reviewed the minutes of all previous meetings it has been covered in all of them.</p>
<p>Transparency to stakeholders</p>	<p> Agendas and Reports</p> <p>It is pleasing to see that Board meeting agendas and reports, and in due course minutes, are all published on the Cambridgeshire County Council website. It is also positive to note that exempt items appear to be kept to a minimum, demonstrating a culture of openness and transparency.</p>

5. Assessing the Knowledge and Skills of the Board

In this section of the report we assess the framework for knowledge and skills, how further requirements are identified, and the advice provided to the Board.

Introduction

The Public Service Pensions Act 2013 requires Pension Board members to:

- be conversant with the rules of the scheme and any document that records policy about the administration of the scheme, and
- have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is the level appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Pensions Board. These requirements have been incorporated and expanded on within the Pensions Regulator's Code of Practice 14.

In July 2016 CIPFA launched technical guidance for Local Pension Board members by extending the existing knowledge and skills framework. This Framework sets out the skills required to enable Pension Board members to properly exercise their functions under Section 248a of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013. In this section we consider the training policy in place, the identification of training needs and the advice provided to the Board.

Key areas	Cambridgeshire Local Pension Board
<p>Clearly articulated knowledge and skills in line with Fund Policy</p>	<p> Training Policy in place</p> <p>The Fund has a Local Pension Board training strategy that was implemented in January 2017. This is being updated and a revised version was discussed by the Board at the observed meeting and is being considered by the Committee at the December 2018 meeting. The proposed strategy has been developed to incorporate the CIPFA Knowledge and Skills Framework, the requirement of the Pensions Regulator and the advice from the Scheme Advisory Board.</p> <p> Demonstrating training undertaken</p> <p>The proposed strategy noted above incorporates the requirements for training records to be in place.</p> <p>There is limited information available at present to confirm the completed attendance at training and we recommend that the training records are published going forward for openness and transparency.</p> <p>It would be helpful to ensure all new members of the Board have the opportunity to attend an induction session to complement the information received when they commence the role.</p>
<p>Identify and provide ongoing training in an effective and suitable manner to meet requirements</p>	<p> Training discussions</p> <p>The identification of training requirements was not covered in detail at the observed meeting and it could be consider in more detail by the Board. For example, it might be suitable and helpful for Board members to have a short training session on a relevant or topical issue at the start of each meeting to ensure knowledge and skills requirements of the Board are maintained. In addition, a standing item on training at Board meetings would ensure all areas falling into this category are considered on a regular basis. That could also incorporate Board members undertaking self-assessment to identify if further or repeat training is required.</p>
<p>Rely appropriately on officers and advisers to provide expert knowledge</p>	<p> Officers and advisors to the Board</p> <p>The officers providing explanation to the Board about the papers provided did so with clarity and sufficient detail to help explain often complex issues.</p>

6. Behaviour of the Board

In this section of the report we consider the behaviour of members of the Board, the level of attendance and engagement in Board activity, how conflicts are managed and the Chairs role on the Board

Introduction

A good governance structure will not be effective unless it involves the right people with the right attitude. Individuals should:

- have a high level of attendance at meetings
- demonstrate integrity in relation to their Fund role
- be engaged and provide appropriate challenge
- be accountable for the decisions made
- highlight any potential conflicts they may have
- for a Chairperson, manage the meetings fairly without any bias to individuals or self
- prepare adequately for meetings.

These elements are considered in this section and the information below derives from the review of minutes, agendas and our observations from the meeting attended on the 19 October 2018.

Key areas	Cambridgeshire Local Pension Board
<p>High level of attendance at meetings</p>	<p> Board member attendance</p> <p>There was full attendance at the observed Board meeting. It is noted that in a review of the minutes of previous meetings there has been an excellent attendance at Board meetings.</p>
<p>Demonstrate integrity in relation to their Fund role/General Behaviour</p>	<p> General Behaviour</p> <p>Overall members demonstrated respect for each other asking questions and allowing appropriate time to hear their views. Board members engaged with LGSS officers in a positive way. In addition, at the observed meeting there was a good understanding of the resource pressures on officers and this was reflected in the discussion and actions being progressed by the Board.</p>
<p>Be engaged and provide appropriate challenge</p>	<p> Board member participation</p> <p>All board members engaged in the meeting and took part in the discussions.</p> <p> Board member questions/challenge</p> <p>Overall the majority of the Board were very engaged asking probing questions about the information provided and in addition asking questions about information not provided and clearly commissioning work to help undertake their role. An example of where it could be possible to improve was the knowledge and structure of LGSS.</p> <p>The level of engagement for newer members compared to more long-term members was understandably different. We would recommend a check-in facility for those newer members during their induction to ensure they feel supported in their new role.</p> <p> Demonstrating a desire to achieve Best Practice</p> <p>The Board went beyond that which was in front of them at the time of the meeting ensuring a good link to different agenda items and also linking up items for future meetings in a proactive way.</p>

Key areas	Cambridgeshire Local Pension Board
<p>Highlight any potential conflicts they may have</p>	<p> Highlighting potential conflicts</p> <p>The legal requirements for conflict of interest (as noted above) are being met. Observing the meeting it could be seen that the stakeholder's views being represented often came to the fore in the views put forward. This is of course acceptable but Board members should continue to check that areas raised are relevant to their role as a Board member rather than putting forward any personal capacity.</p>
<p>For the Chairperson to manage the meetings fairly without any bias to individuals or self and prepare adequately for meetings</p>	<p> Chair's role</p> <p>The Chair controlled the meeting well and ensured that members had adequate opportunities to raise questions. In addition, the Chair ensured that detailed probing took place and encouraged linking up on issues (for example the data improvement discussion was brought into the discussion on risk management).</p> <p>It may be helpful for the Chair of the Board to engage with officers ahead of each meeting to consider the agenda items and ensure areas are progressed in line with the Board's requirements from earlier meetings</p>

7. Summary of recommendations

In this section of the report we summarise the recommendations made to the Board as outlined in sections 4-6 above.

Introduction

The Cambridgeshire Local Pension Board undertakes its roles and responsibilities in an effective manner. The members of the Board are engaged and overall show good participation.

We have noted 7 recommendations which are summarised below. These suggestions are put forward to improve the effectiveness of the Board to assist it in undertaking its role and responsibilities.

Recommendations

- **Scheme of Delegation:** A more detailed description of the areas the Board is responsible for should be considered. We recommend that examples are used in the Terms of Reference so as to retain the Board's flexibility to consider all areas under their overall regulatory responsibilities.
- **Link between the Pension Committee and Pension Board:** The link could be strengthened and made more explicit with the inclusion of an agenda item to consider the most recent Pension Committee papers directly. This would allow the Board to consider the areas being covered at each Committee meeting and identify any areas of concern or interest which should be pursued by the Board. In addition, we noted that only the Chair of the Cambridgeshire Board attended Pension Committee meetings. We believe that all Board members should be encouraged to attend the Pension Committee meetings.
- **Key Performance Indicators:** We understand that LGSS are undertaking work in this area with plans in place to consider customer journey performance indicators within the next year and we recommend that following that work information supplied to the Board includes both internal service standards and statutory requirements as well as member experience information.
- **Reviewing Breaches:** We recommend that the Board review all breaches and we would also expect to see information about breaches of legal timescales for notifying members in various circumstances.
- **Demonstrating Training taking place:** We recommend that the training records are published going forward for openness and transparency. It would also be helpful to ensure all new members of the Board have the opportunity to attend an induction session to complement the information received when they commence the role.
- **Training discussions:** It might be suitable and helpful for Board members to have a short training session on a relevant or topical issue at the start of each meeting to ensure knowledge and skills requirements of the Board are maintained. In addition, a standing item on training at Board meetings would ensure all areas falling into this category are considered on a regular basis.
- **Board member questions/challenge:** We would recommend a check-in facility for those newer members during their induction to ensure they feel supported in their new role.

Appendix A – Reference Material

This appendix lists the various documents that were considered as part of this Effectiveness Review.

Cambridgeshire County Council

- Cambridgeshire Local Pension Board Meeting agendas, reports and minutes
- The Cambridgeshire County Council Constitution and Pension Board Terms of Reference
- Annual Business Plan and Medium-Term Strategy 2018/19 to 2020/21
- Cambridgeshire Pension Fund Training Strategy 2016
- Cambridgeshire Pension Fund Training Strategy 2018 (Draft)
- Governance Compliance Statement (October 2017)

Contact Information

Mary Lambe

Senior Public Sector Benefits and Governance Consultant

+44 (0)1727 888236

mary.lambe@aon.com

Catherine Pearce

Senior Public Sector Benefits and Governance Consultant

+44 (0)117 901 3419

catherine.pearce@aon.com

About Aon

[Aon plc](#) (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.