

Cambridgeshire
Pension Fund

Pension Fund Committee

Date: 25th March 2021

Report by: Head of Pensions

Subject: Review of the effectiveness of the Pension Fund Committee

Purpose of the Report: To provide feedback on the results from the effectiveness review survey.

Recommendations: That the Committee notes the feedback and approves the plan of action to improve the effectiveness of the Pension Fund Committee in the areas identified.

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1. Background

- 1.1 The need to regularly review the effectiveness of the Pension Fund Committee is considered good governance and is undertaken as an annual exercise. In January 2021 members were invited to complete a survey on how adequate they felt the current arrangements of the Committee are and how efficiently it is operating.
- 1.2 The previous survey was undertaken in January 2019 and the 2020 survey was delayed due to the pandemic. The survey covers the pandemic period to date for us to ascertain whether the Committee feels standards have been maintained during this time.
- 1.3 The survey consisted of 24 questions and members were encouraged to add extra clarity to answers provided. There was also an opportunity at the end of the survey to provide any additional supporting comments.
- 1.4 The surveys were to be completed by 12th February 2021.

2. Response to the review

- 2.1 The survey to ascertain the view of the Pension Fund Committee was sent to 10 members and 6 completed questionnaires were returned. This represents a return rate of 60% which was not as high as desired but was still an acceptable sample size. Completion of the survey is a mandatory feature of the Fund's Training Strategy.

3. Results of the effectiveness survey

- 3.1 Participants were required to rate the statements from strongly disagree to strongly agree and additional comments boxes were included on every question to encourage further narrative where needed.
- 3.2 A full analysis of the results of the survey can be found in appendix 1 of the report.

4. Conclusions drawn from the effectiveness survey

- 4.1 The effectiveness of the Pension Fund Committee was positive as a whole with the majority of participants agreeing with the statements provided.
- 4.2 The following areas have been highlighted as to where improvements could be made and corresponding actions/comments for each. Areas for improvement are those areas where more than one member provided a 'disagree or strongly disagree' response.

Statement	Concern	Comments/Action
I am satisfied that undertaking meetings virtually as a result of the pandemic has enabled the equivalent amount of effective discussion when compared with face to face meetings.	No comments provided.	The future format of meetings needs to be addressed with the Committee once legislation has been amended. In the meantime it would be useful to understand how meetings can be improved to address the concerns raised.
I am able to fulfil my responsibilities as a Member without being issued with hard copy report packs.	200-400 page agendas, try to read every page (including tables) and have many comments. Locating them in a meeting is impossible without a hard copy.	Cambridgeshire County Council does not currently permit the printing of Committee agenda packs. This concern will be raised formally with Democratic Services for a response.

5. Relevant Pension Fund Objectives

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. Objective 1.

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. Objective 2.

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 attributed are maintained in a changing environment. Objective 3.

Continually monitor and measure clearly articulated objectives through business planning. Objective 4.

Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. Objective 5.

6. Risk Management

- 6.1 The Pension Fund Committee are expected to have an awareness of how the Fund is operated and maintain appropriate skills and knowledge. The Pension Fund Committee make decisions on how the Fund operates and therefore should periodically review how effective processes are and whether there are any skills gaps within membership.
- 6.2 The risks associated with Pensions Fund Committee members not having the required level of awareness and knowledge have been captured in the Fund's risk register as detailed below.

Risk No	Risk	Residual risk rating
8	Those charged with governance are unable to fulfil their responsibilities effectively.	Green
14	Failure to administer the scheme in line with regulations and guidance.	Green
17	Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green

- 6.3 The Fund risk register can be found at the following link - [Pension Fund Risk Register](#)

7. Communication Implications

- 7.1 There are no communication implications as a result of accepting the recommendations within this report.

8. Finance & Resources Implications

- 8.1 There are no financial or resource implications as a result of accepting the recommendations within this report.

9. Legal Implications

- 9.1 There are no legal implications as a result of accepting the recommendations within this report.

10. Consultation with Key Advisers

- 10.1 There has been no consultation with professional advisers in the writing of this report.

11. Alternative Options Considered

- 11.1 Not applicable.

12. Background Papers

- 12.1 None

13. Appendices

13.1 Appendix 1 – Full analysis of the results of the survey

Checklist of Key Approvals

Has this report been cleared by Section 151 Officer? Sarah Heywood – 15/3/21

Has this report been cleared by Head of Pensions? Mark Whitby – 24/02/2021

Has the Chairman of the Pension Committee been consulted? Councillor Rogers – 12/3/21

Has this report been cleared by Legal Services? Fiona McMillan – 1/3/21

Appendix 1 - Full analysis of the results of the survey

Question	Responses					Comments
	Strongly Agree (%)	Agree (%)	Neither Agree nor Disagree (%)	Disagree (%)	Strongly Disagree (%)	
There are a sufficient number of meetings held in the financial year.	16.67	66.67		16.67		
I am satisfied that undertaking meetings virtually as a result of the pandemic has enabled the equivalent amount of effective discussion when compared with face to face meetings.		50	16.67	33.33		
I am able to fulfil my responsibilities as a Member without being issued with hard copy report packs.	16.67	33.33		33.33	16.67	200-400 page agendas, try to read every page (including tables) and have many comments. Locating them in a meeting is impossible without a hard copy.
The quality of reports meets the expected standard.	16.67	66.67		16.67		In too many areas we are given a choice of 1 without alternatives.
Members are provided with sufficient information in order to make effective and timely decisions.		83.33	16.67			Agree subject to answer (disagree) to item 4.
I am satisfied that risks identified on the covering reports adequately identify the risks involved in taking a particular decision and are reflected in the risk register.	16.67	66.67	16.67			
I have clarity on the roles and responsibilities of both the Pension Fund Committee and the Pension Fund Board and the decision making process.	33.33	66.67				

Question	Responses					Comments
	Responses					
	Strongly Agree (%)	Agree (%)	Neither Agree nor Disagree (%)	Disagree (%)	Strongly Disagree (%)	
I consider that the Pension Board effectively delivers on its remit to assist the administering authority in securing compliance with the principal 2013 regulations along with any other requirements imposed by the Pensions Regulator in relation to the scheme.	16.67	66.67	16.67			
I consider that the Pension Board effectively delivers on its remit to assist the administering authority in ensuring the effective and efficient governance and administration of the scheme.	16.67	50	33.33			
I have a good understanding of the role of both internal and external audit in the governance and assurance process	16.67	66.67	16.67			
I am aware that I need to disclose any potential and actual conflicts of interest that may arise.	100					
I receive adequate reporting to provide assurance over the quality of the Fund's administration to scheme members and scheme employers.	33.33	66.67				
I receive adequate reporting to provide assurance that there is appropriate budgetary control of the Fund in place	33.33	66.67				

Question	Responses					Comments
	Responses					
	Strongly Agree (%)	Agree (%)	Neither Agree nor Disagree (%)	Disagree (%)	Strongly Disagree (%)	
Members are provided with good quality policies and strategies for review/ approval.	16.67	66.67	16.67			
I have good understanding of the Fund's Communication Policy with regards to scheme employer and scheme member engagement.	16.67	50	33.33			
I have a broad understanding of the implications of new employers joining the Fund and of the cessation of existing employers.	16.67	66.67	16.67			
I would know what process to follow if I suspected a breach of the law and there is a sufficient policy in place to support this.	16.67	66.67	16.67			
I have an understanding of how the Fund monitors and manages the performance of their outsourced providers.		83.33	16.67			
I have a good understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.	33.33	50	16.67			
I understand the role of the Fund's investment advisors.	50	50				

Question	Responses					Comments
	Strongly Agree (%)	Agree (%)	Neither Agree nor Disagree (%)	Disagree (%)	Strongly Disagree (%)	
I understand the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long term risks.	50	50				
I have an understanding of the risk and return characteristics of the main asset classes (equities, bonds, property etc.).	33.33	50	16.67			
I have an understanding of the contents of the Fund's Investment Strategy Statement.	33.33	66.67				
I understand my fiduciary responsibility to scheme members	50	50				