CAMBRIDGESHIRE PENSION FUND

LGSS

Pension Fund Board

Date: 3rd May 2019

Report by: Head of Pensions

Subject:	**Cambridgeshire Pension Board Effectiveness Review Actions.**
Purpose of the Report	To present the Cambridgeshire Pension Fund Board Effectiveness Review Action Plan to the Board.
Recommendations	**The Pension Fund Board is asked to consider this report and approve the action plan in Appendix 1**
Enquiries to:	Joanne Walton, Governance and Regulations Manager, jwalton@northamptonshire.gov.uk

1. Background

1.1 It is considered good governance to regularly review the effectiveness of the Cambridgeshire Pension Fund Board. In addition to the annual self-review, Aon, the Fund's Governance Advisers, were commissioned to conduct an impartial review.

1.2 The purpose of the impartial review is to establish, based on Aon's observations, whether the Pension Fund Board is fulfilling its role to support the respective Administering Authority in meeting its regulatory requirements.

1.3 The observation was conducted at the meeting held on 19th October 2018 and the detailed findings were presented back to the Board by Aon on 15th February 2019.

1.4 The next stage is to consider the subsequent action plan to ensure the Board is operating as effectively as it can be.

2. Assessment

2.1 There were 16 key areas that were reviewed by Aon to determine the effectiveness of the Pension Fund Board under the categories of Governance Structure, Knowledge and Skills, and Behaviour. The findings have been summarised below.

Governance Structure	Assessment
Clear terms of reference and clearly documented scheme of delegation	Neutral
The structure allows decision making at the appropriate level and quick decision making where appropriate	Neutral
Includes appropriate representation of stakeholders	Positive

Receives well-presented information/reports	Positive/Neutral
A proper range of subject matter is being considered by the Board	Positive/Neutral
Sufficient time for discussion	Positive
Managing actual and potential conflicts of interest	Positive
Transparency to stakeholders	Positive

Knowledge and Skills	Assessment
Clearly articulated knowledge and skills in line with Fund Policy	Positive/Neutral
Identify and provide ongoing training in an effective and suitable manner to meet requirements	Neutral
Rely appropriately on officers and advisors to provide expert knowledge	Positive

Behaviour	Assessment
High level of attendance at meetings	Positive
Demonstrate integrity in relation to their Fund role/general behaviour	Positive
Be engaged and provide appropriate challenge	Positive/Neutral
Highlight any potential conflicts they may have	Positive
For the Chairperson to manage the meetings fairly without any bias to individuals or self and prepare adequately for meetings	Positive

3. Actions against the findings

3.1 The table in Appendix 1 outlines the proposed key actions to be taken against all neutral findings in section 2 above.

3.2 The Board are asked to consider the proposed actions and timescales for completion and agree the action plan. A progress report would then be brought back at the end of the financial year to demonstrate achievement against each action.

4. 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 attributes 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*

Put in place performance standards for the Fund and its employers and ensure these are monitored and developed as necessary. *Objective 8*
Administer the Fund in a professional and efficient manner, utilising technological solutions and collaboration. *Objective 10*

5. Finance & Resources Implications

5.1 None.

6. Risk Management

6.1 The Pension Fund Board are expected to have an awareness of how the Fund is operated and maintain appropriate skills and knowledge.

6.2 The risks associated with Pension Fund Board members not having the required level of awareness and knowledge have been captured in the Fund's risk register as detailed below.

Risk Number	Risk mitigated	Residual risk
7	Those charged with governance are unable to fulfil their responsibilities effectively.	Green
13	Failure to administer the scheme in line with regulations and guidance.	Green
16	Failure to provide relevant information to the Pension Committee/Pension Board to enable informed decision making.	Green

6.3 The Fund's risk register can be found at the following link:
 https://pensions.cambridgeshire.gov.uk/app/uploads/2019/04/Cambridgeshire-Risk-Register.pdf

7. Communication Implications

Direct Communications	The original review was published by Democratic Services on the Cambridgeshire County Council website (link below).

8. Legal Implications

8.1 Not applicable

9. Consultation with Key Advisers

9.1 Aon, the Fund's Governance Advisers were commissioned to undertake the initial review.

10. Alternative Options Considered

10.1 Not applicable

11. Background Papers

11.1 Cambridgeshire Pension Board Effectiveness Review - https://cambridgeshire.cmis.uk.com/ccc_live/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/902/Committee/18/Default.aspx

12. Appendices

12.1 Appendix 1 - Actions against the findings.

Checklist of Key Approvals	
Has this report been cleared by Head of Pensions?	Mark Whitby – 23 April 2019