

To: Pension Fund Committee

Meeting date: 19 December 2024

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Subject: Cambridgeshire Pension Fund Committee effectiveness review.

Purpose of the report: To present the outcomes of the Pension Fund Committee effectiveness review.

Recommendations: The Pension Fund Committee is asked to:

- a) note the feedback provided for the Cambridgeshire Pension Committee.
- b) approve the proposed course of actions to improve the effectiveness of the Committee in the areas identified (3.10).

Reasons for Recommendation:

- To ensure adequate oversight of the effectiveness of the Cambridgeshire Committee.
- To ensure that Committee members have the opportunity to provide feedback on their respective meetings/roles for good governance purposes.
- To ensure that any actions that arise as a result of the review are actioned in a transparent and timely manner.

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## 1. Background

1.1 The need for the Cambridgeshire Pension Fund to review the effectiveness of the Pension Fund Committee is considered good governance and ensures that there is an avenue for any concerns to be raised and addressed in a formal manner.

1.2 Nationally, work is continuing in the governance space to further enhance the way that the Local Government Pension Scheme (LGPS) operates and provides greater transparency, with developments on:

- The Scheme Advisory Board Good Governance Review.
- The Pension Regulator's Code of Practice.
- CIPFA's Skills and Knowledge Framework

1.3 The results from the review will be used to better shape the governance approach of the Cambridgeshire Pension Fund.

## 2. Executive summary

2.1 The report contains the results of the effectiveness review undertaken by committee members during July 2024.

2.2 The review consisted of 52 questions in the following areas:

- Committee structure and culture
- Management of meetings
- Knowledge and training
- Risks and conflicts
- Advisors
- Documents and policies
- Equality, Diversity and Inclusion

2.3 The results demonstrate that the Committee overall is effective with the majority of questions receiving agree or strongly agree.

## 3. Issues and choices

### Cambridgeshire Pension Fund Effectiveness Review

#### Scope of review

3.1 The effectiveness review survey was issued to 11 members of the Committee to seek their views on a range of subject matters related to the current governance arrangements of the Cambridgeshire Pension Fund.

3.2 As per the constitution there are 11 allocated places on the Committee made up as follows:

<b>Committee members</b>	
Representing	Number of Representatives
Cambridgeshire County Council (the administering authority)	6
All other local authorities including police and fire	2
All other employers	1
Active Scheme members	1
Deferred and Pensioner members	1
<b>Total</b>	<b>11</b>

3.3 The survey was issued on 8 July 2024 with a deadline for responses by 26 July 2024, 7 members completed the survey.

### Key findings and recommendations

3.4 Overall the assessment provides a picture of strong agreement with the individual statements within each section. Agreement levels overall across the 7 areas were positive, with 76% of all responses either agreeing or strongly agreeing to all statements, the highest scoring area was Risks and Conflicts at 83%.

3.5 The section on Equality, Diversity and Inclusion had lower levels of agreement in comparison to the other 6 sections of the survey, feeling appropriate due to the topic only being introduced recently.

3.6 One apparent theme was regarding the lack of direct communication or interaction between the Committee and Board.

3.7 The full survey results can be found in appendix 1.

3.8 It can be concluded that members were most content with the following statements (defined by the majority of ratings falling into the strongly agree category):

- The Chair conducts meetings in a professional manner and allows for adequate discussion on each agenda item.
- Meetings are chaired in an even-handed manner, with all opinions being heard and consensus being sought.
- I am aware of the need to disclose any conflict of interest that arises.
- I believe there is a clear understanding of the remit of the investment Pool and how this links with the business of the Fund.

3.9 The below table contains statements where any disagree rating were received with associated comments and actions (no strongly disagree ratings were received):

Area of improvement	Concern	Proposed course of action/comment
The Pension Committee and Pension Board work effectively as a team	There is no direct communication between the Board and Committee, appreciating that co-ordination takes place via officers.	Officers will seek ways to improve the interaction between Board and Committee members. This could include increased joint training, face to face training and dedicated workshops where viable. Members will continue to be invited to their counterparts meetings and as previously mentioned minutes will be shared between both parties.
A suitable structure exists to ensure any issues can be appropriately escalated*	Unaware of the structure for the escalation of issues, however queries raised are responded to.	An escalation structure will be developed and brought to the Committee for review at a future meeting.
I am confident that the Fund is managing risk appropriately	It would be preferential for the risk register to be presented at each meeting.	The Risk Register is currently being reviewed in consultation with the Fund's governance advisors. There will be an opportunity to comment on the proposals and

Area of improvement	Concern	Proposed course of action/comment
		going forwards at each meeting as part of the risk monitoring review as currently. The intention is for the register to be presented at each meeting following the review.
I understand the purpose of the Fund's Communications Policy	No comment provided.	1:1 training will be provided on this topic.
I am familiar with The Pensions Regulator's "Governing Bodies: EDI Guidance".*	Work in this area is in the early stages.	The action plan has been developed and knowledge in this area should increase as actions are undertaken.
The Committee and Board are committed to following the Pension Regulators Equality, Diversity and Inclusion guidance for the Fund (where possible).		
The Fund has an adequate Equality, Diversity and Inclusion action plan in place to help achieve requirements of the Pension Regulators EDI guidance		

\*also received more than 1 neutral rating.

3.10 The following conclusions have been made from statements that received more than one neutral rating:

Area of improvement	Concern	Proposed course of action/comment
The current sizes of the Pension Committee and Board are both about right	No comment provided.	The current size of the Pension Committee and Board is in line with the Cambridgeshire County Council's Constitution. It has been designed to provide an appropriate level of representation for the administering authority, other scheme employers and scheme members

Area of improvement	Concern	Proposed course of action/comment
Sufficient time is given to reviewing the Fund's governance structure to ensure it remains appropriate	The review of the governance structure hasn't been witnessed.	Updates to the Governance Policy and Compliance Statement which details the governance arrangements of the Fund have been notified to the Committee via the Governance and Compliance Reports as appropriate. A link to the policy will be circulated.
The scheduling of Pension Committee and Pension Board meetings enables sufficient time for minutes to be shared between both in a timely manner	No comment provided.	Committee and Board minutes will be exchanged going forwards, providing a formal platform to review and discuss as appropriate.
Committee/Board meetings are well managed and productive	Some documents are very lengthy and can't be read to the standard required depending on other commitments. To consider deferring/re-prioritising if the Committee/Board felt the same.	Officers continually try to balance the information required to be delivered against the volume of information at each meeting to ensure a manageable agenda.  This can be difficult to manage due to the current industry landscape and its complexities.
There is sufficient time dedicated to gaining the appropriate knowledge and understanding to enable me to perform my role	Generally agree with the statement although sometimes other commitments arise and training cannot always be attended.	Core mandatory training can be undertaken at a suitable time for members via the online platform. Additional subject matter training is usually delivered via teams with a link to the recording circulated.  For any face to face training, slides will be circulated after the event.  Some training will be delivered as part of meetings dependent upon timescales and topic areas.  The Training Strategy is due to be reviewed early 2025 and will cover the above.
The Committee/Board receives appropriate briefings from officers and advisers on current topics and new developments	No comment was provided.	The Committee and Board receive regular updates through the Governance and Compliance report at every meeting along with specialist reports on key areas. The Investment Sub-Committee

		receives a quarterly update on current investment topics.
I have completed the Pension Regulator's online Toolkit	No comment was provided.	Details on the Pension Regulator's online Toolkit will be circulated.
The Committee/Board regularly sees the Fund's Risk Register	No comment was provided.	The Risk Register is currently being reviewed in consultation with the Fund's governance advisors. There will be an opportunity to comment on the proposals and going forwards at each meeting as part of the risk monitoring review process as currently. The intention is that following the review the Committee will see the register at each meeting.
The Committee/Board is given adequate opportunity to input into the development of and actions within the Fund's Risk Register		
Advisers make a useful contribution to the Committee/Board meetings and in supporting Fund officers.	Information is not always pitched at the right level.	Further feedback on this point would be welcome. Officers liaise with advisors ahead of presentations to ensure information provided is at the appropriate level. There is always an opportunity to seek clarification either in the meeting or via Officers after the meeting.
I understand the role of the Fund's actuary	No comment was provided.	1:1 training will be provided on this topic.
I understand the role of the Fund's investment advisors		
I understand the role of the Scheme Advisory Board		
I know where to find up to date copies of the Fund's key documents		
I am familiar with the principles of the Fund's training strategy		
I understand the purpose of the Fund's Administration Strategy		

A data improvement plan is in place, with progress against objectives reviewed regularly	No comment provided.	The 2024/25 Data Improvement Plan has been subsequently presented to the Pension Committee at its October meeting. The Pension Committee will be informed of the progress on the actions included in the plan biannually via an appendix in the Administration Report.
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## Next steps

- 3.11 The proposed course of actions as a result of the self-review will be implemented during the remainder of 2024/25 into early 2025/26.
- 3.12 During 2025/26 the intention is for Hymans Robertson to undertake an independent review of the governance arrangements for the Cambridgeshire Pension Fund. By this time, the Code of Practice compliance would have been determined and the Good Governance Review requirements should have been released.

## 4. Relevant Pension Fund objectives

The following objectives as per the Business Plan have been considered in this report -

- 4.1 To 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.
- 4.2 To 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.
- 4.3 To 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.

## 5. Implications (including financial implications)

### 5.1 Resources and financial

- 5.1.1 The Hymans Robertson effectiveness review platform was used and feedback provided.

### 5.2 Legal

- 5.2.1 No material issues have been identified which may give rise to legal liability and/or risk from an administering authority perspective.

### 5.3 Risk management

- 5.3.1 The mitigated risks associated with this report has been captured in the Fund's risk register as detailed below -

Risk	Residual risk rating
Those charged with governance are unable to fulfil their responsibilities effectively	Green
Failure to provide relevant information to the Pension Fund Committee/Pension Board to enable informed decision making	Green

- 5.3.2 The Fund's full risk register can be found on the Fund's website at the following link:

## [Cambridgeshire Risk Register](#)

### 5.4 Consultation

5.4.1 Not applicable.

### 6. Background papers

6.1 None.

### 7. Appendices

7.1 Appendix 1 - Effectiveness review results of the Cambridgeshire Pension Committee

### 8. Accessibility

8.1 An accessible version of the information contained in this report and appendices is available on request from the report author.