

Appendix 1

Cambridgeshire Pension Fund Board Annual Report 2019-20

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Chairman's Foreword

It is my pleasure, as Chairman of the Cambridgeshire Pension Fund Board, to introduce the fifth Cambridgeshire Pension Fund Board Annual Report, for 2019-20. The Board was established in accordance with the Public Service Pensions Act 2013. Our task is to assist Cambridgeshire County Council by making sure it is administering the Local Government Pension Scheme effectively and efficiently, and is compliant with the law.

I was delighted to be appointed Chairman by the Board for a third year. Although we started the reporting year like any other, the situation changed following the declaration of the largest public health emergency in generations. The Covid-19 emergency meant that we were also unable to meet in April 2020. However, I am pleased to confirm that all Cambridgeshire Pension Fund Board meetings are now taking place virtually.

As Chairman, I am keen for the Board to continue to work hard to protect both the interests of the Pension Fund and its members. I am grateful for the commitment and support of the current members of the Board but these members cannot continue forever. I am therefore looking for new members so that when the time is right we can continue to provide continuity of membership. So if you find this area of work interesting please do not hesitate to contact me.

I am confident that the dedication and commitment of the Board members will continue into 2020-21 in order to assist Cambridgeshire County Council in maintaining the high standards of the administration of the Fund. This commitment is demonstrated by the exceptionally high attendance at meetings this last year, and the Board's commitment during these uncertain times to now attend meetings virtually.

I welcome comments and feedback on the Local Government Pension Scheme from both employers and members, and encourage them to raise any issues of concern directly with me.

Councillor Simon King
Chairman of Cambridgeshire Local Pension Board

Background

The Public Services Pensions Act 2013 requires all Public Service Pension Schemes to establish a Local Pension Board to assist the Administering Authority (Cambridgeshire County Council) to:

- secure compliance with the Local Government Pension Scheme (LGPS) regulations and other legislation relating to the governance and administration of the LGPS and also the requirements imposed by the Pensions Regulator in relation to the LGPS; and
- ensure the effective and efficient governance and administration of the LGPS.

The Cambridgeshire Local Pension Board is in addition to the existing Cambridgeshire Pension Fund Committee. It is a non-decision making body and is designed to act as a critical friend to the existing Committee and Investment Sub-Committee.

The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 relating to the creation and ongoing operation of the local pension boards were laid before Parliament on 28th January 2015 and came into force on 20th February 2015.

The Cambridgeshire Local Pension Board was established by Cambridgeshire County Council (the administering authority) at its full Council meeting on 24th March 2015. The first meeting of the Board was held on 16th July 2015.

Role and Remit

The role and remit of the Cambridgeshire Local Pension Board is to assist Cambridgeshire County Council (the administering authority) by making sure it is administering the Local Government Pension Scheme effectively and efficiently and, in doing so, is complying with relevant laws and regulations. The Board does this by reviewing the policies and practices that Cambridgeshire County Council has adopted and checking them against the applicable regulations, as well as comparing them to examples of best practice elsewhere.

Governance Compliance Statement

Each Administering Authority must have in place a Governance Compliance Statement that sets out whether it delegates its functions, or part of its functions, under the Regulations to a committee, a sub-committee or an officer of the authority. Where the Administering Authority does delegate its functions, the statement must include:

- the terms, structure and operational procedures of the delegation;
- the frequency of any committee or sub-committee meetings;
- whether such a committee or sub-committee includes representatives of scheme employers or members, and if so, whether those representatives have voting rights;
- the extent to which a delegation, or the absences of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not so comply, the reasons for not complying; and
- details of the terms, structure and operational procedures relating to the Local Pension Board.

Constitution and Membership

Cambridgeshire County Council approved the terms of reference for the Cambridgeshire Local Pension Board on the basis that the Board is a stand-alone authority. With the assistance of the Local Pension Board, it has also approved standing orders for the Board. [A copy of both documents is available at the following link](#) (see from page 6)

A Local Pension Board must include an equal number of employer and member representatives with a minimum requirement of no fewer than four in total. At its meeting on 24th March 2015, Cambridgeshire County Council agreed to establish a Local Pension Board with three employer representatives and three scheme member representatives. The term of appointment for all members is four years or until qualification for membership ceases.

The method of appointment is two employer representatives to be appointed by Cambridgeshire County Council Full Council and all other members to be appointed via an open and transparent selection process. An application pack containing the terms of reference and an outline of the knowledge and understanding and capacity requirements is available and advertised to employers and members within the Fund in a way that is compliant with the requirements set out in the Local Government Pension Scheme (LGPS) – Guidance on the Creation and Operation of Local Pension Boards in England and Wales whenever a new member is recruited. Following receipt of applications from potential representatives, a short listing and interview process involving the Council's Monitoring Officer or her representative determines that the representative has the required attributes to carry out the role effectively. At the request of the Board, the Monitoring Officer has agreed that the Chairman/woman and Vice-Chairman/woman of the Board can be involved in the interview process.

The membership of the Board is as set out overleaf:

Employer Representatives



Councillor Simon King
Cambridgeshire County Council Conservative Group
Simon.King@cambridgeshire.gov.uk
Appointed: 23 May 2017



Councillor Elisa Meschini
Cambridgeshire County Council Labour Group
elisa.meschini@cambridgeshire.gov.uk
Appointed: 15 May 2018



Councillor Denis Payne
Histon and Impington Parish Councillor
cllr.denis.payne@gmail.com
Appointed: 3 February 2017

Scheme Member Representatives



David Brooks
Former Vice- Principal –Business of The Thomas Deacon Academy
David.jf.brooks@talk21.com
Appointed: 21 October 2015
Reappointed: 3 May 2019



Barry O'Sullivan
Cambridgeshire County Council, Customer Service Advisor
Barry.O'Sullivan@cambridgeshire.gov.uk
Appointed: 16 July 2015
Reappointed: 3 May 2019



John Stokes
Former Senior Architectural Technologist
johnstokes@btinternet.com
Appointed: 16 July 2015
Reappointed: 3 May 2019

The Chairman/woman and Vice-Chairman/woman of the Board are elected by the Board on annual basis.

The current Chairman is Councillor Simon King and the Vice-Chairman is David Brooks.

The Board has met three times during the period of this Annual Report.

The attendance record for members of the Board is detailed below:

Employer Representatives

Date	Councillor Simon King	Councillor Elisa Meschini	Councillor Denis Payne
5 July 2019	Attended	Attended	Attended
4 October 2019	Attended	Attended	Attended
31 January 2020	Attended	Attended	Attended
24 April 2020	Cancelled due to Covid-19	Cancelled due to Covid-19	Cancelled due to Covid-19

Scheme Member Representatives

Date	David Brooks	Barry O'Sullivan	John Stokes
5 July 2019	Attended	Attended	Attended
4 October 2019	Attended	Attended	Attended
31 January 2020	Attended	Attended	Attended
24 April 2020	Cancelled due to Covid-19	Cancelled due to Covid-19	Cancelled due to Covid-19

Code of Conduct and Conflicts Policy

Cambridgeshire County Council (the Administering Authority) is required to prepare and approve a code of conduct for the Board to adopt. The code of conduct should set out the standards of behaviour expected of members, incorporating the 'Seven Principles of Public Life' (known as the Nolan Principles).

The elected and co-opted members of a local authority are governed by their local authority's code of conduct for councillors. This code is required of every local authority by the Localism Act 2011 and sets out the standards of behaviour expected of individuals in their capacity as councillors. In addition, there is a legal obligation for councillors to disclose, in a register maintained by the authority's monitoring officer, certain pecuniary interests, as defined in regulations made under the 2011 Act. Both of these requirements apply to any members of a Local Pension Board who are also councillors of a local authority. They do not apply to members of a Local Pension Board who are not Councillors unless they are specifically adopted in terms of reference or other policy document to apply to the other members of the Board.

The Cambridgeshire Local Pension Board has agreed formally, at its meeting on 21st October 2015, to adopt the Cambridgeshire County Council Code of Conduct for all members of the Board. [A link to the completed code of conduct forms for County Councillor Board members is available here](#)

The code of conduct forms for non-County Councillor members are retained by the Democratic Services Officer, Rob Sanderson, supporting the Board.

It is not anticipated that significant conflicts of interest will arise in the same way as would be the case if the Board was making decisions on a regular basis (compared, for example, to a Pension Fund Committee). However, officers will take steps to identify, monitor and manage conflicts effectively. At its meeting on 20 April 2018, the Board agreed a formal Pension Fund Conflicts of Interest Policy, under which a register of conflicts of interest will be maintained and published on the administering authority's website.

Knowledge and Understanding

In accordance with Section 248A of the Pensions Act 2004, every individual who is a member of a Local Pension Board must be conversant with:

- the rules of the Local Government Pension Scheme (LGPS)
- any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund.

Each individual must have knowledge and understanding of the law relating to pensions and such other matters as may be prescribed.

Cambridgeshire County Council (the Administering Authority) is required to make appropriate training to Local Pension Board members to assist them in undertaking their role and where possible support all members of the Board in undertaking that training. The Board approved a Knowledge and Understanding Policy Framework for Cambridgeshire Pension Fund Board Members at its meeting on 21 October 2015.

The Pensions Regulator has provided an e-learning programme which has been developed to meet the needs of all members of public sector scheme pension boards, whether or not they have access to other learning. The majority of members of the Cambridgeshire Local Pension Board have already completed the Pension Regulator's Toolkit, which is a compulsory requirement under the Knowledge Management Policy. [Members who have not completed the Toolkit have been contacted with a reminder and provided with the following link](#)

The Local Pension Board is required to keep appropriate records of the learning activities of individual members and the Local Pension Board as a whole. This will assist members in demonstrating their compliance, if necessary, with the legal requirement and how they have mitigated risks associated with knowledge gaps. It is a statutory requirement to include details of the training undertaken by members of the Pension Fund Board in the Fund's Annual Report. In addition, this information may be required by other agencies such as the Pensions Regulator from time to time.

A schedule detailing the training undertaken by Cambridgeshire Local Pension Board members is detailed below:

Member	Event	Date
Cllr Simon King [Appointed 23 May 2017]	Statutory and non-statutory policies – training item Cross Pool Open Forum CIPFA Training Day Introduction to the LGPS Completion of the Pension Regulator’s Toolkit Internal Dispute Resolution Procedure Investment Presentation Cyber Resilience Monitoring and Maintaining Outsourced Providers Valuation Presentation Valuation Presentation (Committee) LGPS Investment costs and risk management (virtual) Schroders Training Session (virtual) Schroders Training Session (virtual) Investment Training Day	23/02/2018 27/03/2018 09/05/2018 26/09/2018 29/09/2018 15/02/2019 15/02/2019 03/05/2019 01/07/2019 01/07/2019 10/10/2020 03/06/2020 19/06/2020 26/06/2020 15/07/2020
Cllr Elisa Meschini [Appointed 15 May 2018]	CIPFA Training Day Internal Dispute Resolution Procedure Investment Presentation Cyber Resilience Monitoring and Managing Outsourced Providers Valuation Presentation Pension Investment Day	04/07/2018 15/02/2019 15/02/2019 03/05/2019 01/07/2019 01/07/2019 15/07/2019
Cllr Denis Payne [Appointed 3 February 2017]	Completion of the Pension Regulator’s Toolkit Training Needs Analysis Local Pension Board Two Years on Seminar Pension Information Day LGC Investment Summit Pension Information Day Pension Information Day Employers Forum Pension Information Day Statutory and non-statutory policies – training item Local Pension Board three Years on Seminar CIPFA Training Day LGC Investment Summit Internal Dispute Resolution Procedure Investment Presentation Cyber Resilience PLSA Local Authority Conference	28/02/2017 07/03/2017 28/06/2017 05/07/2017 07/09/2017 06/10/2017 22/11/2017 29/11/2017 07/02/2018 23/02/2018 27/06/2018 09/05/2018 07/09/2018 15/02/2019 15/02/2019 03/05/2019 13/05/2019

Member	Event	Date
	Local Pension Board Annual Event	26/06/2019
	Monitoring and Maintaining Outsourced Providers	01/07/2019
	Valuation Presentation	01/07/2019
	LGC Investment Seminar	06/09/2019
	Pension Information Day	06/03/2020
	Schroders Training Session (virtual)	12/06/2020
	Schroders Training Session (virtual)	19/06/2020
	Schroders Training Session (virtual)	15/07/2020
	Investment Information Day	15/07/2020
Barry O'Sullivan [Appointed 16 July 2015]	LGA Local Pension Board Training	21/05/2015
	LGSS Joint Local Pension Board Training	01/09/2015
	UBS First Steps	03/11/2015
	UBS Second Steps	03/11/2015
	LGSS Valuation Training	03/02/2016
	Local Pension Board Seminar	29/06/2016
	Pension Ombudsman Case Study - Training item	22/07/2016
	Completion of the Pension Regulator's Toolkit	02/02/2016
	LGC Investment Seminar	03/02/2017
	Local Pension Board Two years on Seminar	28/06/2017
	Pension Information Day	05/07/2017
	Unison Eastern Regional pensions forum	22/09/2017
	National LGPS Seminar	10/01/2018
	Pension Information Day	06/10/2017
	Pension Information Day	22/11/2017
	Training Needs Analysis	06/12/2017
	National LGPS Seminar	10/01/2018
	Statutory and non-statutory policies – training item	23/02/2018
	CIPFA Training	09/05/2018
	CIPFA Training	04/07/2018
	LGC Investment Summit	06/09/2018
	UNISON LGPS Seminar	11/12/2018
	Internal Dispute Resolution Procedure	15/02/2019
	Investment Presentation	15/02/2019
	Local Pension Board Annual Event	26/06/2019
	Monitoring and Managing Outsourced Providers	01/07/2019
	Valuation Presentation	01/07/2019
	LGC Investment Seminar	08/09/2019
	Investment Information Day	09/10/2019
	Pension Information Day	06/03/2020
	Pension Information Day (virtual)	15/07/2020

<p>John Stokes [Appointed 16 July 2015]</p>	<p>LGA Local Pension Board Training LGSS Joint Local Pension Board Training LGSS Pensions Liability Driven Investment & Passive Investment Training Day LGSS Valuation Training Completion of the Pension Regulator's Toolkit Schroders Trustee Training Pension Ombudsman Case Study - Training item LGC Investment Seminar Local Pension Board 2 Years on Seminar LGC Investment Summit Pension Information Day Pension Information Day Training Needs Analysis LAPFF Conference CIPFA Training CIPFA Training LAPFF Conference LGPS Governance Conference Internal Dispute Resolution Procedure Investment Presentation Cyber Resilience Monitoring and Maintaining Outsourced Providers Valuation Presentation LGC Investment Seminar Investment Information Day LAPFF Annual Conference Investment Information Day</p>	<p>21/05/2015 01/09/2015 27/10/2015 03/02/2016 10/06/2016 22/07/2016 02/03/2017 28/06/2017 07/09/2017 06/10/2017 22/11/2017 06/12/2017 06/12/2017 09/05/2018 12/09/2018 05/12/2018 17/01/2019 15/02/2019 15/02/2019 03/05/2019 01/07/2019 01/07/2019 06/09/2019 09/10/2019 4-6/12/2019 15/07/2020</p>
<p>David Brooks [Appointed 21 October 2015]</p>	<p>Completion of the Pension Regulator's Toolkit Pension Ombudsman Case Study - Training item 14th Annual Trustee Conference Pension Information Day Training Needs Analysis Statutory and non-statutory policies – training item CIPFA Training CIPFA Training Internal Dispute Resolution Procedure Investment Presentation Cyber Resilience Monitoring and Managing Outsourced Providers Valuation Presentation Investment Information Day</p>	<p>17/02/2016 22/06/2016 29/06/2017 06/10/2017 06/12/2017 23/02/2018 09/05/2018 12/09/2018 15/02/2019 15/02/2019 03/05/2019 01/07/2019 01/07/2019 17/07/2019</p>

A Local Pension Board is also required to prepare and keep updated a list of the core documents recording policy about the administration of the Fund and make sure that the list and documents (as well as the rules of the LGPS) are accessible to its members.

[The LGSS Pensions Team has prepared such a list for Cambridgeshire Local Pension Board members, which is available here.](#)

In October 2018, the Board had opportunity to feed into the proposed Training Strategy and in December 2018 this was approved by the Pension Fund Committee. The Strategy is based on a training credits concept reflecting a mix of training from e-learning to training days which recognises people's commitments.

Reporting Breaches of the Law to the Pensions Regulator Policy

In accordance with section 70 of the Pensions Act 2004, certain individuals must report to the Pensions Regulator as soon as reasonably practicable where that individual has reasonable cause to believe that:

- a duty which is relevant to the administration of the LGPS, and is imposed by or by virtue of an enactment or rule of law, has not been or is not being complied with; and
- the failure to comply is likely to be of material significance to the Regulator in the exercise of any its functions.

This obligation directly applies to each individual who is a member of the Local Pension Board. The Local Pension Board must therefore have effective arrangements in place to meet its duty to report breaches of law.

At its meeting on 21st October 2015, the Cambridgeshire Local Pension Board was informed that, in line with the Pensions Regulator's Code of Practice number 14 (Governance and administration of public service pension schemes), the Fund has developed a policy that sets out the mechanism for reporting breaches of the law.

The policy ensures that those with a responsibility to report breaches of the law are able to meet their legal obligations, by analysing situations effectively in order to make an informed decision on whether a breach has been made.

As the Cambridgeshire Pension Fund Board does not have decision making powers, the Board is not able to approve this policy. Instead it reviewed the Policy on 21st October 2015 before it was approved by the Pension Fund Committee at its meeting on 22nd October 2015. It also reviewed the policy on 6th July 2018 recommending changes to the Pension Fund Committee.

[A copy of the "Reporting Breaches of the Law to the Pensions Regulator Policy" is available here.](#)

Work Programme 2019-20

The Cambridgeshire Local Pension Fund Board has met three times in 2019-20, on 5th July 2019, 4th October 2019, and 31st January 2020.

Board Meeting – 5th July 2019

This was the first meeting of the Board in the municipal year. At the meeting, the Board considered a report on the administration performance of the Cambridgeshire Pension Fund, and took a particular interest in any late payments to the Fund. It also considered a report on the governance of the Local Government Pension Scheme, as well as potential, new, amending and overriding legislation that would have an impact on how the Scheme was managed, and on Scheme members' benefits.

The Board reviewed the current risks facing the Fund, in particular cyber risk. It was proposed that there should be specific entry relating to "cyber risk" on the Risk Register.

In addition, the Board considered reports on monitoring and managing outsourced providers, ACCESS asset pooling, and reports considered by the Pension Fund Committee.

Board Meeting – 4th October 2019

The Board requested its future succession arrangements be reviewed as early as possible, as there could not be an expectation that the three current Scheme Members would wish to serve for a further four year term after 2023. As a way forward, it was proposed to ask the current members a year before their term of office came to an end to indicate if they would wish to continue. Based on this, an advance recruitment exercise has been undertaken which will involve communications being included in an e-mail sent to all members notifying them that their annual statement is available

The Board reviewed the Digital Communications Strategy before it was presented to the Pension Fund Committee for approval. Members queried how those members not comfortable with electronic communications would be kept informed and were reassured to note that when new members joined the Fund they were given the choice of which format they wished to receive.

Members also received reports on the Valuation of the Pension Fund, Pension Fund Annual Business Plan Update, Administration Performance Report, Governance and Compliance Report, Data Improvement Plan Progress Report, Risk Management, Anti-Fraud and Corruption Policy Review, Pension Fund Annual Report and Statement of Accounts and an update on ACCESS Asset Pooling.

Board Meeting – 31st January 2020

The Board asked officers to investigate whether the Pension Fund Committee would be declaring a Climate Change Emergency. It is not clear whether any Local Authority Pension Committee has declared such an emergency, rather that it would be for the administering authority to make such a declaration.

In addition, Members received reports on the Administration Performance, Pension Fund Annual Business Plan Update, Risk Monitoring, Governance and Compliance Report, Cambridgeshire Pension Fund 2020-2021 Communications Strategy, Valuation Fund and an update on ACCESS Asset Pooling.

Work Programme 2020-21

The Cambridgeshire Local Pension Board maintains a work programme (agenda plan) which is considered at every meeting. The Work Programme for 2020-21 is as set out below:

3 July 2020

- Internal Audit Report
- Administration Performance Report
- Governance and Compliance Report
- Pension Fund Annual Business Plan and Medium Term Strategy 2019-20 to 2021
- Governance and Administration Risk Management in light of the Coronavirus pandemic

6 November 2020

- Administration Report
- Business Plan Update
- Governance and Compliance Report
- Risk Monitoring
- Business Continuity Plan review
- Data Improvement Plan 2020/21
- Communication Strategy 2021/21
- Funding Strategy Statement
- McCloud Remedy
- Asset Allocation
- Annual Report and Statement of Accounts
- Asset Pooling
- Terms of Reference and Appointment review
- Local Pension Fund Board Annual Report

22 January 2021

- Administration Report
- Business Plan Update
- Governance and Compliance Report
- Risk Monitoring
- Terms of Reference and Appointment review
- Aon action plan conclusions
- Administration Strategy
- Overpayment of Pension Policy
- Admissions, Cessations and Bulk Transfer Policy
- Cambridgeshire Pension Board Effectiveness Review
- External Audit

April 2021

- Administration Report
- Business Plan Update
- Governance and Compliance Report
- Risk Monitoring
- Terms of Reference and Appointment review
- Business Continuity Plan review
- Training Strategy
- Review of the Investment Strategy Statement
- Payment of Employee and Employer Contributions Policy

Key Officers supporting the Local Pension Board

Head of Pensions

Mark Whitby

MWhitby@northamptonshire.gov.uk

Governance & Regulations Manager

Joanne Walton

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Governance Officer

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