



## Border to Coast Pensions Partnership Joint Committee

**Date of Meeting:** 9 March 2020

**Report Title:** 2019 Partner Fund feedback survey

**Report Sponsor:** Rachel Elwell, CEO Border to Coast

### 1 Executive Summary

- 1.1 As part of our commitment to delivering our vision and purpose, we conduct an annual survey of our Partner Funds. This allows us to understand our performance to date and any emerging issues.
- 1.2 This is the second year that we have undertaken a review. A number of actions were taken following the 2018 review to address the feedback provided at that stage as set out in section 3.
- 1.3 Responding to feedback, the 2019 survey covered a wider range of audiences – it now covers committee chairs, s151 officers, pension officers and independent advisors.
- 1.4 Overall the feedback from the survey has been very positive. 46% of respondents were very satisfied; and 49% were somewhat satisfied. With over 100 verbatim comments, there was also a rich insight to give colour to the survey scores.
- 1.5 While there was consistent positive praise for the progress made to date – and the reputation we are building – there was nonetheless a number of suggestions on areas for improvement/ issues to be mindful of. A series of actions to address these are outlined in section 4.

### 2 Recommendations

- 2.1 The Committee is asked to note the results of the survey and provide comment on the recommended actions to address the feedback.

### 3 Response to the 2018 Survey

- 3.1 The 2018 survey was broadly positive and included some very useful qualitative responses and guidance on how we could build the organisation and the relationship between Partner Funds and Border to Coast.
- 3.2 The main areas of feedback in 2018 and progress against these during 2019 were:

Area	Feedback	Comments	Progress
Progress	100% good	Running to time is	<ul style="list-style-type: none"> <li>• Priorities were discussed as part of setting</li> </ul>

	or better	less important than quality	<p>the 2019-2021 strategic plan and associated resourcing requirements.</p> <ul style="list-style-type: none"> <li>Continuing open discussion with officers and committees (Joint Committee and individual pension committees)</li> </ul>
Responsiveness to questions / concerns	75% very / extremely 25% somewhat / not so much	Difference between responding and understanding Is there enough information to enable us to review and make decisions?	<ul style="list-style-type: none"> <li>Lessons learned sessions held on transitions and other major pieces of work</li> <li>Partner Fund queries are reviewed regularly by the Executive to understand themes</li> <li>Other ways to bring feedback into decision making process (e.g. Survey Monkey)</li> <li>Agree up front “Necessary Conditions” for each launch and keep Partner Funds up to date on progress in satisfying these</li> </ul>
Communication	83% good or better 17% OK or worse	More help for officers to prepare for Committees Performance info inadequate All data shared at same time? Careful lack of data does not imply lack of trust	<ul style="list-style-type: none"> <li>Significant development work on sharing of information via the data room</li> <li>Performance reporting reliability has improved following early teething problems</li> <li>Design of performance reporting is undertaken earlier in the process</li> <li>Clear signposting on upcoming areas for discussion including Governance Planner</li> <li>Agendas for all workshops in 2019 and 2020 circulated in advance</li> </ul>
Sub-fund design	67% very satisfied 33% we need more / total re-write	Number of sub-funds in each class is “unsatisfactory and unsustainable” What is strategic and what is implementation?	<ul style="list-style-type: none"> <li>Tried and tested approach to development of sub-funds now embedded</li> <li>Approach to Fixed Income design reflected feedback as considered whole asset class</li> <li>Good engagement with officers; engagement with advisors continues to be an area for further development.</li> </ul>
Building partnerships	90% good 10% not so well	What does partnership mean?	<ul style="list-style-type: none"> <li>Ongoing discussion with Partner Funds including via Joint Committee</li> <li>Joint work on MHCLG consultation responses</li> <li>Facilitation of other opportunities for joint working across Border to Coast</li> </ul>
Best practice examples	-	Assurance on governance / asset management that we are following best practice Use other techniques in meetings to mitigate effect of loudest voice	<ul style="list-style-type: none"> <li>Work with national audit leads and other pools to facilitate discussions with LGPS auditors including positive outcome on AAF</li> <li>Climate change working party using different approach to addressing challenges</li> <li>Building RI collaborations with other large institutional investors to leverage impact</li> <li>More use of facilitation tools in workshops</li> <li>Developed CEO / COO / CRO pool groups to share practice across and between pools</li> </ul>
Overall satisfaction	92% satisfied 8% sitting on the fence	Right pace and right engagement key ESG issues need more focus Communication key Celebrate success!	<ul style="list-style-type: none"> <li>Climate change working party, stewardship code, examples of collaborating with other large asset owners</li> <li>Developed RI strategy and became signatory to UN PRI</li> </ul>

## 4 Response to the 2019 Survey

4.1 The expansion of the survey to include chairs and independent advisors alongside officers gave us rich insight. As a new organisation, with an emphasis on partnership, collaboration and sustainability, this feedback is invaluable.

4.2 Overall the feedback from the survey has been very positive. 46% of respondents were very satisfied; and 49% were somewhat satisfied. However, we also recognise there remains room for improvement. Some of the focus areas raised include:

- Engagement – how we manage communication and engagement with Partner Funds. Some chairs expressed a desire for more direct engagement with Border to Coast, particularly reflecting on the engagement of their committees. We also had practical feedback on areas such as the data room and helping to support advisors’ awareness of developments.
- Importance of culture & delivery – a continuing desire for Border to Coast to understand the different ethos of each Partner Fund.
- Maintaining a partnership approach – concern that each Partner Funds’ voice be heard. And an awareness of the risk of a divergence in Partner Fund requirements, with the associated importance of a pragmatic approach to developing joint solutions.
- Future support – understandably, most comments were focussed on delivery to date and immediate next steps. However, there were also signs of consideration of future developments including both how to make the most of our collective voice and how Border to Coast could become a more strategic investment partner for Partner Funds.

4.3 The main areas of feedback in the 2019 survey were:

Area	Feedback	Comments
Progress	95% good or better	Quality and not pace is important
Responsiveness to questions / concerns	43% very 57% somewhat	Continue to develop two way engagement Strong feedback from officer group, but consider how to support Chairs and Advisors
Communication	Overall 77% satisfied / very satisfied; 20% neutral. Areas for development: data room and conference calls	Acknowledgement this is a very important area, easier said than done given the diversity of stakeholders Make the data room easier to use and navigate Consider webinars and actively encourage all to speak
Building partnerships	Overall 75% well or better Areas for development: input to investment strategy and facilitation of oversight	Positive praise, recognising need for continued collaboration and compromise Particular recognition of work on RI and building investment capabilities
Strategic Risks	-	Reasonable alignment of views on relative prioritisation of risks, which are discussed more in the strategic plan and annual report and accounts
Overall satisfaction	95% satisfied or very satisfied 5% sitting on the fence	Very positive progress but no room for complacency Balancing need for compromise with openness, flexibility and clarity of communication Maintain focus on governance, cost sharing and ensuring all Partner Funds are able to have a voice Collaboration between Partner Funds is key

4.4 The following actions are proposed in response to the 2019 survey:

Feedback	Actions
Workshop recording availability	Using WebEx, share recordings of workshops for future reference
Clear & accurate workshop communications	Diary invites issued at least 1 month in advance with high level agenda topics. Specific topics agreed 1 month in advance. All relevant consultants invited. Pre-meeting material issued three days in advance.
Adviser/Consultant	Agree approach with Partner Funds and take action (e.g. establish regular

communication	adviser update calls; provide support in ensuring advisers are involved early).
On-line accessibility (Data Room)	Improve user experience of Data Room to assist in navigation. Work with Partner Funds to understand the current barriers to ease of use. Agree and implement further actions.
Committee input	Agree communications plan with officers and chairs to enhance joint relationships. Ensure senior Border to Coast colleagues are visible to committees. Utilise internal resource appropriately at Partner Fund meetings. Work with officers to ensure pre-meeting information reaches the committee.
Responsible Investment Strategy	Use Border to Coast's size to influence on RI principles. RI communications plan to raise awareness of what we are doing.
Fund Manager access	Implement agreed Memorandums of Understanding on access to fund managers including Border to Coast personnel
Collaboration	Work with Partner Funds to agree longer-term areas of action for Border to Coast to undertake in becoming a strategic partner. Discussion with Partner Funds on the design / prioritisation phase to further develop approach to prioritisation.
Collaboration between Partner Funds	Work with Partner Funds to improve understanding of expectations of Border to Coast and how we can collectively work together in this area
Fund Launches	Continue to hold 'lessons learned' sessions on transitions and other major pieces of work
Tax Policy	Set up a session on the impact tax policy has on the long term investment outcomes, and what action is required.

## 5 Risks

- 5.1 As a customer owned, customer focussed organisation, it is important that Border to Coast understands, and responds, to the feedback provided by its Partner Funds. If this paper, and its associated action plan, is not accepted, there is a risk that the firm fails to deliver on behalf of its Partner Funds.

## 6 Conclusion

- 6.1 The Committee is asked to note the results of the survey and provide comment on the recommended actions to address the feedback.

## 7 Paper Author

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