

Local Pension Board – Review of Effectiveness 2021

Introduction

In March 2021, members of the Local Pension Board ('Board') independently completed a survey which aimed to assess the effectiveness of the Board. Subsequently, members held a workshop to discuss the results of the survey and agree potential changes in the way the Board works to improve its effectiveness. This note summarises the results of the survey and the improvements discussed at the workshop.

The Board is asked to agree the actions as outlined below to improve its effectiveness.

Survey Results

The survey included questions on the Board's Constitution, the way meetings are conducted and knowledge, skills and capacity. The survey was completed by 7 of the 9 members of the Board.

The results of the survey were positive in a number of areas. All (or a significant majority of) members of the Board agreed that:

- The Constitution clearly describes the Board's functions and responsibilities.
- Board papers are timely, relevant and focused on priorities.
- Discussions are facilitated to allow all Board members to contribute in order to seek opinion and develop ideas.
- Board members are not afraid to ask obvious or simple questions to ensure collective understanding.
- Board discussions are not unduly influenced by an individual's views, experience or expertise.
- Meeting minutes are accurate and record decisions made and actions agreed.
- The Board works in an open and transparent manner.
- All Board members act with integrity, declaring and managing any personal conflicts of interest.
- Board members work collaboratively to develop good working relationships.
- The Board's independent adviser helps to Board to fulfil its responsibilities.

Proposed actions for improvement are as follows:

Pension Board Constitution

The Board discussed the current membership. The majority of Board members were appointed relatively recently and the Board were concerned that the maximum term of office will cause the departure of the two most experienced members of the Board in the

summer of 2021. It was also noted that the pandemic had caused additional work pressures on some newer Board members which has limited their opportunities to undertake training. *The Board agreed to recommend to the Authority that the Constitution is amended to extend the maximum term of office.*

The Board also noted the short tenure of the Local Authority Councillors (2 years) and were supportive of the Authority's recent efforts to allow such councillors to remain on the Board for a longer period. The Authority may wish to amend the Board's Constitution accordingly.

Although virtual meetings have been productive, the Board generally would welcome a return to meeting face-to-face. The Board welcomed the efforts of the Authority to put in place the facility to allow some members to attend meetings virtually. Technology facilities can be problematic and assistance from the Authority on this matter would be welcome by some members of the Board. The Authority may wish to include the option for virtual attendance in the Board's Constitution.

Meetings

Most Board members agreed that the Work Programme is comprehensive and helpful to ensure the Board fulfils its responsibilities. However, some members felt that better forward planning of agendas would be helpful to ensure that all items of the Work Programme are covered, particularly to ensure risk management and compliance with The Pensions Regulator's Code of Practice 14 receive appropriate attention.

The Board agreed to review the Work Programme and include 'Agendas for Future Meetings', 'Compliance with TPR Code of Practice' and 'Future Training Opportunities'.

Knowledge, Skills and Capacity

Board members are generally unclear whether they have the right skills, knowledge and expertise and whether all members (particularly newer members) have a clear understanding of their role, particularly given the recent change of membership. Some members are also concerned about their ability to commit the necessary time, this being exacerbated during the pandemic. Virtual training opportunities from external providers during the pandemic have eased time pressures and the Board would welcome the option of attending on-line training events in the future.

The Board also welcomed the Authority's commitment to extent the Learning and Development Policy to the Board and the news that new resource has been committed to governance within the Authority.

The use of an Independent Adviser is welcomed by members. The Board discussed the risk of members being overly reliant on the Adviser's review of papers and whilst most members

were not overly concerned, the Board and the Independent Adviser agreed to continue to keep this under review.

Members of the Board who have observed the Authority meetings agreed this helps to keep knowledge of current issues up-to-date, as well as overseeing the governance of the Fund.

The Board agreed that the following changes would be helpful:

- *Training plans (both collective and individual) include general and bespoke training options based on regular assessments of members' skills and knowledge;*
- *Training plans for all Board members should include observing some Authority meetings;*
- *Working with the Independent Adviser, the Board will monitor the risk of members being overly reliant on the Adviser's review of papers.*

General

The Board discussed the Authority's awareness of the Board's work and the communications between the two bodies. The Board agreed to discuss options to increase its visibility with the Authority.

Clare Scott

Independent Adviser

March 2020