

Local Pension Board – Review of Effectiveness 2022

Introduction

In March 2022, members of the Local Pension Board ('Board') independently completed a survey which aimed to assess the effectiveness of the Board. This is the second such review of effectiveness.

Members also attended 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 improvements discussed at the workshop.

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

Actions from 2021 Review of Effectiveness

The Board discussed the progress on the actions from the Board's review in 2021, some of which have been completed and others are outstanding. The outstanding actions include:

- Developing communications with the Authority.
- Allowing councillor members to remain on the Board for more than 2 years.
- Better forward planning of meeting agendas.
- Records of informal actions to be maintained.

The Board agreed that the outstanding actions remained relevant and noted that the new governance team are expected to take them forward.

Survey Results

The survey included questions on the way Board meetings are conducted and knowledge, skills and capacity. The survey was completed by 4 of the 9 members of the Board.

The results of the survey were positive in a number of areas and were broadly consistent with the results from 2021. All (or a significant majority of) members of the Board agreed that:

- 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.
- The Board's independent adviser helps to Board to fulfil its responsibilities.

Proposed actions for improvement are as follows:

Meetings

Whilst oversight of the Authority governance and their meetings is included in the Board agenda, members agreed that Board members should observe Authority meeting(s) periodically to keep knowledge of current issues up-to-date, as well as overseeing the governance of the Fund.

However, members also felt that the necessary time to review all the Authority papers and to watch meetings was very onerous and would welcome assistance in making this less resource intensive. Options to do this should be explored e.g. members would welcome being included in communications regarding meetings.

Members were unsure as to whether they were being provided with any private papers for the Authority meetings.

The Board noted that on occasion the risk register considered by the Board can be out-of-date and they agreed to request that the most up-to-date register (or indeed any other papers) are tabled at the Board, irrespective of whether they have been considered by the Authority.

The Board agreed to:

- *Consider options to reduce the time needed for Board members to oversee Authority governance/meetings.*
- *Request that up-to-date risk register (and other papers) are tabled at the Board, irrespective of whether they have been considered by the Authority beforehand.*

Knowledge, Skills and Capacity

Consistent with last year's survey, Board members are generally unclear whether they have the right skills, knowledge and expertise. The increased emphasis on the Board's knowledge in the new Learning and Development Policy as well as the recent knowledge progress assessment were influential factors.

The results of the knowledge progress assessment were discussed. It was noted that individual board members had received their personal results. The Board noted that whilst all Board members had completed the assessment, it was disappointing that only 6 of the 17

Authority members had completed the assessment. Board members agreed to use their individual results to determine priorities for personal on-line learning. The Board also looks forward to seeing proposals for training sessions to be delivered and also the plans to increase engagement with, and the level of knowledge of, members of the Authority.

Pensions and investment are very technical areas and Board members felt that a glossary of technical terms might be helpful to interpret reports.

Some members are also concerned about their ability to commit the necessary time. Some have faced problems ensuring their employers allow time to attend meetings/training and some members would welcome assistance from the Authority in managing this.

The Board agreed that the following changes would be helpful:

- *Individual members to prioritise on-line learning based on their personal knowledge progress assessment.*
- *Plans for further training sessions from the fund.*
- *Plans to increase engagement with, and the level of knowledge of, members of the Authority.*
- *Development of a glossary of technical terms.*
- *Assistance in working with Board members' employers to ensure they are allowed time to undertake their role.*

General

The Board noted the vacant role for a councillor member and were concerned at the length of time of the vacancy had existed.

The Board agreed to request that the Constitution is changed so that vacant roles are offered to other employers/trade unions, as appropriate, if they are not filled within a reasonable time.

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