

Report on Authority Effectiveness Review 2024/25

June 2025

Members of the Authority met on 13 February 2025 to conduct a self-assessment to evaluate the Authority's impact and effectiveness over the previous year. This was carried out based on the recommendation arising from the independent governance review that concluded in June 2024.

The Authority's effectiveness review assessed the performance, structure and overall impact of the Authority in fulfilling its governance responsibilities over the course of 2024/25. The objective is to identify strengths, areas for improvement and recommended actions to enhance the Authority's effectiveness.

CIPFA guidance states that effectiveness should be judged by the contribution it makes to and the beneficial impact it has on the Authority's business. As the decision-making committee, it can easily identify how the Authority has made a difference. Evidence of effectiveness will usually be characterised as 'influence', 'persuasion' and 'support'. The broad areas that the Authority may support are illustrated below and formed the basis for this review.

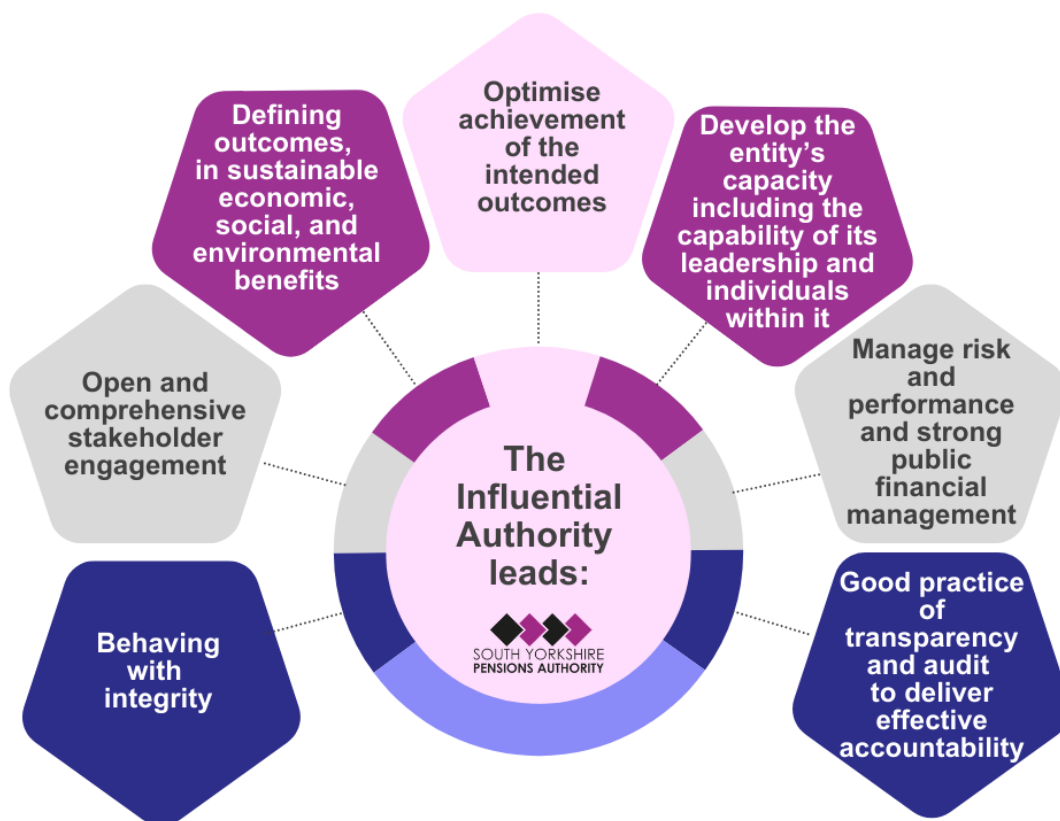


Figure 1: The influential Authority

Overall Comments for 2024/25

The effectiveness review was conducted through a combination of Authority member self-assessment and a collective member review to identify and evidence the strengths of the Authority's key decision making over the year, alongside any areas for further development or improvement.

The review was structured around the themes and requirements set out by CIPFA in their LGPS Knowledge and Skills Framework and also those set out by the Pensions Regulator in their guidance for pension scheme trustees. A self-assessment questionnaire was completed by Authority members prior to the review meeting and the collated results of this formed the basis for the discussion. Members were asked to focus on areas where there were responses of 'unsure' or 'disagree' from the questionnaire results in order to explore the issues underlying this and to identify improvement actions where appropriate.

Overall members agreed there is a clear understanding of their roles and responsibilities and other key participants in the scheme with sufficient time and resource to effectively manage the scheme. Members agreed that papers are timely and focused on the priorities enabling them to be fully briefed and prepared for meetings and their decision-making functions.

There was strong recognition for the value added by the Independent Investment Advisers and members are very clear on the standards against which their performance is measured.

The majority of members strongly agreed that they have a clear understanding of their risk appetite to take full account of the risks in their decision-making, however three members were unsure. The discussion around this recognised that risk is an area for further training that would be useful.

Members mainly agreed that the diversity of the Authority's membership, which includes different backgrounds, experience, and skills is positive but further work is encouraged to widen the gender and ethnic diversity of the Authority.

Members noted the need for continuous development and collaborative working and discussed how to engage with the Local Pension Board further to maximise the benefits of their role in the governance arrangements. However, members also noted the imbalance of Authority members' engagement and contributions. Members collectively agreed that skills gaps are identified and appropriately managed through training and access to advisers. This led to consideration of the role of Border to Coast and how that interacts with the Authority which would be beneficial to incorporate into the annual induction and development session held each June.

Members explored potentially involving feedback and comments from the Local Pension Board and Independent Investment Advisers in the next effectiveness review and finally to have input from officers to obtain views on their effectiveness, questioning and challenge.

Effectiveness Review – Areas for Improvement & Action Plan for 2025/26

Following the review undertaken, actions were identified to be undertaken during the forthcoming year to address the areas for further improvement. These are set out in the following table.

Area for Improvement	Actions Required	Responsible Owner	Date for Completion
Promoting the principles of Diversity, Equality and Inclusion to mitigate barriers.	Explore establishing a DEI working group to develop outcomes to increase a more diverse membership (Authority and LPB) and remove barriers to inclusion.	Members Head of Governance & Corporate Services	December 2025
Introduction of early briefings and indication of the focus time required for meeting preparation.	Members wish to receive more information relating to the detail and context of Authority meetings – including the implications and the actions identified. Launch enhanced online Reading Room.	Governance Officer	Introduce by September 2025
Supporting the ongoing development of knowledge, skills and expertise.	Ensure coverage of areas around Impact Investment and Net Zero in the training and development plan for the year ahead.	Governance Officer	June 2025 - April 2026

Area for Improvement	Actions Required	Responsible Owner	Date for Completion
Engagement and collaboration with Border to Coast and Local Pension Board	<ul style="list-style-type: none"> Develop relationship between Authority and B2C Joint Committee, to provide members with briefings detailing the pooling arrangements resulting from the Government's Pension Review. Explore options to develop wider collaboration with LPB members. 	Head of Governance & Corporate Services and Chairs of Authority and LPB	December 2025

Conclusion

Authority members evaluated their impact and effectiveness over the year just ended. The review identified actions for continuous improvement; progress on these will be monitored in the forthcoming year.

An effectiveness review will be completed annually.