

Essex Pension Fund Advisory Board	PAB 04
Date: 15 December 2021	

Essex Pension Fund Advisory Board (PAB) Governance Effectiveness Review

Joint Report by the Compliance Manager and Independent Governance and Administration Adviser (IGAA)

Enquiries to Amanda Crawford on 03330 321763

This Report is for noting

Executive Summary

A summary of the findings of the PAB Governance Effectiveness Review survey undertaken in October 2021 as provided by the Fund's IGAA. The results of the survey are extremely positive with no significant issues identified.

1. Purpose of the Report

- 1.1 To provide the findings from the recent survey of Pension Advisory Board (PAB) which is a key part of the Fund's Governance Effectiveness Review undertaken by the Fund's IGAA.

2. Recommendation

- 2.1 The Board should note the results of the survey as summarised in this report and detailed in the Aon Governance Effectiveness Review Report (dated 26 November 2021) which is an appendix to this report. The Board will discuss the findings and next steps with the IGAA and Fund Officers at the December PAB meeting.

3. Overview

3.1 As part of the IGAA's review of the effectiveness of the Fund's governance, a survey was carried out in October 2021 asking PAB members views on 19 questions relating to areas including:

- Meeting Effectiveness;
- Accessibility, Format and Usefulness of Information;
- Knowledge, Understanding and Succession Management;
- The Board's role;
- The Independent Chairman's role;
- Summary and final comments.

3.2 All PAB members responded to the electronic survey.

4. Findings

4.1 The findings show an overwhelmingly positive view of the governance of the Fund from PAB members. In the area of meeting effectiveness all PAB members felt they could ask questions and raise matters at meetings, that meeting length was sufficient with appropriate time available to consider relevant matters. The preference on approach to meetings shows a split in views with clear reasons from those preferring meetings in-person and those preferring a hybrid approach which is set out in more detail in the main report.

4.2 There were positive views from all members about the accessibility, format and usefulness of information provided to members to carry out their PAB role. Members feel they are given sufficient training, with those who recently carried out induction training finding it supported them with their new PAB responsibilities. Overall, all respondents feel they understand their PAB role. On the role of Chairman, all seven members of the PAB indicated meetings are well chaired.

4.3 Overall PAB members indicated that the effectiveness of governance of the Fund has either improved or stayed the same in the last two years with members comments highlighting an improvement in documentation and a strong relationship between the Chairman/Vice-Chairman and officers helping PAB effectiveness.

5. Next steps

- 5.1 The report sets out the IGAA conclusions and a small number of areas from the survey findings that merit further discussion for consideration at the 15 December 2021 PAB meeting including meeting format, succession planning, meeting content and new Pension Regulator Code of Practice.
- 5.2 The outcome will be reported to the Essex Pension Fund Strategy Board (PSB) at their 23 March 2022 meeting to finalise the Governance Effectiveness Review.

6. Risk Implications

- 6.1 A review of the effectiveness of the PAB forms part of the Fund's governance and enables the Fund's key risks to be managed as part of the overall governance arrangements.

7. Communication Implications

- 7.1 Other than ongoing reporting to PAB and PSB as to the findings of the review there are no communication implications.

8. Finance and Resource Implications

- 8.1 There are no financial or resource implications relating to the results of the review.
- 8.2 The cost of the Governance Effectiveness Review will be met from the existing 2021/22 Budget.