

Essex Pension Fund Strategy Board	PSB 06
Date: 17 March 2021	

Governance Review and Effectiveness Survey

Report by the Independent Governance and Administration Adviser (IGAA)

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1. Purpose of the Report

- 1.1 To provide an update from the recent survey of Pension Strategy Board (PSB) and Investment Steering Committee (ISC) Members which is a key input into the review of the effectiveness of the Fund's governance arrangements which is being undertaken by the Fund's IGAA.

2. Recommendation

- 2.1 The Board should note the high level summary in this report and the next steps outlined in Section 5.

3. Overview

3.1 As part of the IGAA's review of the effectiveness of the Fund's governance, a brief survey was carried out in February 2021 asking for Members' views on 20 questions relating to areas including:

- Meeting effectiveness and decision making;
- Accessibility, format, usefulness of information;
- Knowledge and understanding;
- Governance structure;
- Risk management; and
- Business planning/Vision for the future.

3.2 A mixture of electronic and paper responses were received from the 11 Members of the PSB and 1 substitute who regularly observes the PSB/ISC meetings (i.e. 100% response rate).

4. Findings

4.1 The responses show an extremely positive view of the governance of the Fund from both PSB and ISC Members. There is a strong understanding of the roles and responsibilities on both the PSB and ISC. Members state that they understand the implications of the decisions they make at PSB/ISC meetings and have the required information to make those decisions. Members have a strong understanding of risk management and also feel fully integrated in the business planning process.

4.2 Most members were of the view that the effectiveness of governance during the Covid-19 pandemic had been maintained with the majority stating that the effectiveness of governance of the Fund has either improved or stayed the same in the last two years.

4.3 No significant issues were raised. There were some helpful comments highlighting areas for consideration which will be taken into consideration when I present my final report.

5. Next steps

- 5.1 Full details of the findings will be brought to a future meeting along with the findings of the Pension Advisory Board's (PAB's) interactive Governance Effectiveness Workshop which will take place this afternoon.

6. Risk Implications

- 6.1 A review of the effectiveness of the Fund's governance is particularly important given the Fund's key risks are managed as part of the governance arrangements.

7. Communication Implications

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

8. Finance and Resource Implications

- 8.1 These are met within the 2020/21 Budget and the proposed 2021/22 Budget.