

Essex Pension Fund Strategy Board (PSB) and Investment Steering Committee (ISC)

Maintaining Ongoing Governance Effectiveness

The last review of the Board and ISC's effectiveness took place in February 2013. This was conducted with a questionnaire which was drafted and circulated in February 2013 by the Independent Governance & Administration Adviser for completion by the Board and the ISC.

The summary feedback from that exercise was:

"The responses suggested the Board & ISC know what their objectives are and have the strategies and policies in place to achieve these. Members believed they collectively had sufficient knowledge, skill and understanding which together with the confidence they have in the professional advice they receive, enables them to make effective decisions and manage risk. Further, the Board and ISC have a good understanding of its accountabilities and how to build a business plan which is aligned with its objectives. Areas to review would include ensuring the Board does get the benefit of extended membership, whether or not actively seeking recognition for what it does is worth it and working to further streamline meetings and their agendas. Additionally, there appeared to be a presumption that intensive training would be provided to new members to get them up to speed as soon as possible to protect the integrity of the current Board & ISC which their members have worked so hard to establish. However, whilst the intent seems to be present, the existence of such training provisions should be reviewed carefully, especially given the imminent elections."

It is now approaching 2 years since the last effectiveness review and although the governance arrangements have been reassessed in the light of the new local pension board requirements it is time to seek feedback from the current Board and ISC to see where you think they are relative to the February 2013 Governance review both in terms of what has been achieved since and what you would still like to achieve going forward.

To seek responses, it is proposed to ask a similar set of questions as put forward in February 2013 and these are listed below. As before, Members would only be required to answer yes or no and be invited to provide additional comments. Members are invited to add any further questions they feel would add value to the exercise (one suggestion is given below) and to approve the exercise taking place with a view to the findings being discussed at the July Board meeting.

Potential questions -

- 1 Do Members think that the Board has a demonstrable and suitably focused set of objectives against which it can now benchmark its performance?
- 2 Can Members cite any instances since February 2013 where failure to allocate suitable time in meetings to key issues has impacted its effectiveness with regard to strategic and policy issues?
- 3 Overall, do you think the meetings and additional training sessions have been pitched about right in terms of frequency, content and duration?
- 4 Pensions is an increasingly complex area; undergoing a significant period of change in the public sector and becoming subject to increasingly higher levels of regulatory scrutiny. Do you think the present level of pension induction training for new Board members remains adequate in light of this?

- 5 Do Members think that the Board substantially has sufficient confidence in the information and advice provided at meetings by all advisers and officers to make effective and timely decisions at meetings?
- 6 Do you know what steps you would expect the Board to take where for whatever reason, a group of experienced Board members left?
- 7 Imagine that a local TV station wanted to run a 2 minute interview with an Essex Pension Board Member on how the Board and ISC function together to manage Essex Pension Fund risks. Would you be content to have your name pulled at random from a "hat" to attend such an interview? *For the purposes of this question, ignore media skills.*
- 8 Again, in the local TV station interview scenario, would you be able to articulate what the Board's responsibilities are to the Administering Authority, participating employers and Essex Pension Fund Membership?
- 9 Do you think the Board gets an appropriate level of appreciation from its stakeholders for the responsibility it takes for managing over £4.5bn of pension assets?
- 10 If a new Board member asked you for one piece of key advice about how to approach effective alignment of Board / ISC objectives and goals with business planning, could you provide this?
- 11 Do you think the Board could make one further material improvement to the format of its meetings and those of the ISC?

There would also be an opportunity, as before, for some general comments.