

**Open Report on behalf of Andrew Crookham - Executive Director - Resources**

Report to:	<b>Lincolnshire Pension Board</b>
Date:	<b>19 March 2020</b>
Subject:	<b>Pension Board Effectiveness Review</b>

**Summary:**

This report acts as a discussion document to review the effectiveness of the Pension Board.

**Recommendation(s):**

That the Board note the report and agree any actions required to improve its effectiveness.

### Background

- 1 The Lincolnshire Pension Board was established in April 2015 under the provisions of Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the LGPS Regulations 2013 (as amended).
- 2 Regulation 106 specifies that each Administering Authority should establish its own Local Pension Board with responsibility for assisting the Administering Authority as set out below:
  - to secure compliance with:
    - the Regulations;
    - other legislation relating to the governance and administration of the LGPS; and
    - the requirements imposed by the Regulator in relation to the LGPS.
  - to ensure the effective and efficient governance and administration of the LGPS.
- 3 In addition to the creation of Local Pension Boards, the regulatory powers of the Pensions Regulator (tPR) were extended under section 17 and Schedule 4 of the 2013 Act to cover some aspects of public service pension schemes, including the LGPS.

- 4 TPR expects Boards to regular monitor and assess their effectiveness in performing their role. The Lincolnshire Pension Board last reviewed its effectiveness in March 2018.
- 5 The most helpful reviews evaluate both inputs and outcomes. Traditionally, effectiveness reviews have focused on inputs, perhaps because these are the easiest aspects to measure. However, the Board's key role is to ensure the effective and efficient governance and administration of the LGPS. Therefore, it is the outcomes and progress towards these outcomes that ultimately determine the performance of the Board.
- 6 Inputs are the factors that contribute to the quality of Board meetings. Examples of key factors might be:
  - Board composition and the existence of the appropriate range of skills and experience.
  - Identification of training needs, the training itself and the application of knowledge and skills.
  - Support to the Board.
  - Meeting papers, structure of meeting agendas and use of meeting time.
  - The level and quality of participation in discussion and decision-making, where required.
- 7 Outcomes can be measured by reviewing Board performance and progress against its purpose. This is more difficult to measure, but one example might be improvements in compliance with tPR checklist.
- 8 A review of effectiveness allows strengths and weaknesses to be identified and should ultimately lead to a highly engaged and energised Board.

## **Conclusion**

- 9 It is best practice and an expectation of tPR, that Boards review their effectiveness regularly. This paper allows for discussion and assessment as to how effective the Board considers itself.

## **Consultation**

### **a) Have Risks and Impact Analysis been carried out?**

Yes

### **b) Risks and Impact Analysis**

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

## **Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Jo Ray, who can be contacted on 01522 553656 or [jo.ray@lincolnshire.gov.uk](mailto:jo.ray@lincolnshire.gov.uk).

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