

North Yorkshire County Council

Pension Board

19 July 2018

Board Evaluation and Skills Matrix Questionnaires

1.0 Purpose of the Report

To provide details of the questionnaires completed by Members of the Pension Board.

2.0 Background

Following discussion at the previous meeting the TPR's skills-matrix and evaluation forms were circulated to Pension Board Members for them to complete, return and be evaluated, for submission to this meeting.

A number of Members considered that the questionnaires were designed for Pension Fund Trustees, rather than Pension Board Members, and their responses reflect that position.

A consolidation of the responses received is attached.

3.0 Evaluation

Details of the consolidated responses are attached at **Appendix 1**. An additional response column in respect of "Not Applicable" responses was added.

4.0 Skills Matrix

Details of the consolidated responses are attached at **Appendix 2**. An additional response column in respect of "Not Applicable" responses was added.

5.0 Recommendation:-

- (i) that the responses provided be noted;
- (ii) that consideration be given to developing the questionnaires, to ensure that they are relevant to Pension Board Members, enabling the exercise to be repeated to provide a more appropriate response.

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Guidance for trustees

Sample board evaluation questions

February 2018

How effective is your trustee board?

There are many ways to evaluate how effective your board is, and a number of services and free resources available from third parties. The example questions below are not intended to be an exhaustive list, but as well as helping you assess how effectively your board is structured and how it operates, there are questions which will help you consider your skills and decision-making.

Each board member should assess their skills, behaviours, knowledge and understanding based on those they've identified in the skills matrix. Then they can identify strengths and weaknesses and any skills gaps. These self-assessments, along with feedback from the chair, other board members and advisers, will provide valuable information for your board evaluation.

Sample questions

Board effectiveness	Strongly agree	Aagree	Unsure	Disagree	Strongly disagree	
All board members have a clear understanding of their role and accountabilities and the roles of other key participants in the scheme	2	4				
We have an effective structure in place to regularly monitor delegated activities	2	3	1			
Our trustee board has the relevant skills to manage the scheme and is committed to continual development		4				2 - NA
We have clear strategic objectives which inform all that we do	2	1	2	1		
We regularly review our business strategy and monitor progress against objectives	2	4				
We have enough time and resource to effectively manage the scheme		3				3 - NA
We meet as frequently as we need to in order to manage the business of the scheme		3	1			2 - NA
Board papers are timely, relevant and focused on priorities	2	4				
Meeting minutes are accurate and record decisions made and actions agreed	2	4				
We are fully briefed on the agenda of meetings and prepared to discuss each item	2	3	1			
Our trustee board maintains an appropriate open, transparent and constructive relationship with scheme employers	1	1				4 – NA
We have effective processes for the employer to provide information to the scheme	1	1	1			3 – NA
We have an effective selection process for appointing advisers and service providers	1		2			3 – NA
We understand the value added by our advisers and services providers and are clear on the standards against which we measure their performance		2	1			3 – NA

Board effectiveness ctd	Strongly agree	Aagree	Unsure	Disagree	Strongly disagree	
We have a documented process for periodically reviewing our advisers and service providers		1	2			3 – NA
We regularly assess and openly discuss the performance of advisers and service providers against clear objectives and service level agreements			1	1		4 – NA
We are clear on our risk appetite (and the employers risk appetite/capacity for DB schemes) and take full account of risk in our decision-making	1	1	1			3 – NA
We maintain and regularly review a risk register to formally log risks, evaluation of likelihood and impact, and steps taken to manage or mitigate them	3	1		1		1 – NA
We regularly review our schemes exposure to new and existing risks	1	2				3 – NA
We maintain a documented process for managing conflicts of interest including a register of interests	2	4				
Our advisers and service providers have a documented process for managing conflicts of interest which we have reviewed		1	1			4 – NA
All conflicts of our advisers and service providers are declared		2				4 – NA
All conflicts of the board are declared and managed in line with our policy	1	4				1 – NA
We maintain an effective process for assessing the fitness and propriety of new trustees		2	1			3 – NA
We have a diverse membership on our board which includes different backgrounds, experience, skills and demographics	1	4				1 – NA

Behaviours	Always	Often	Sometimes	Rarely	Don't know	
Our board has effective leadership	5		1			
Discussions are facilitated to allow all to contribute in order to seek opinion and develop ideas	4	1	1			
We actively listen without ulterior motive or judgment and respond appropriately	4	2				
We work collaboratively to develop good working relationships	4	2				
We communicate clearly and openly to ensure understanding	3	3				
We take responsibility for our actions	4	2				
We have an effective process for managing conflict resolution	3				2	1 – NA
We are able to have difficult conversations and challenge each other constructively	4		1			1 – NA
We are not afraid to ask the obvious or simple questions to ensure collective understanding	4	2				
Our decisions are not unduly influenced by someone's experience or expertise	4		1			1 – NA
Any decisions to take no action are informed and consciously made	3	1				2 – NA
We are aware of our own strengths and weaknesses and undertake continual learning and development	3	2				1 – NA
We are motivated and devote time and effort to our duties and responsibilities as trustees	3					3 – NA
We understand and are each committed to the objectives of the scheme	4	1				1 – NA
We act with transparency and integrity, declaring and managing any personal conflicts of interest	3	2			1	

Trustee knowledge and understanding	Strongly agree	Aagree	Unsure	Disagree	Strongly disagree	
We maintain and regularly review our process for training new trustees within 6 months	3		1			2 – NA
We have access to appropriate learning and development resources to ensure our knowledge and understanding is maintained	2	3				1 – NA
We have access to training which is linked to the scheme's business plan to enable informed decision-making	1	2				3 – NA
All trustees have completed the Trustee toolkit or equivalent training			2		1	3 – NA
We regularly assess our knowledge and understanding to inform our individual learning and development plans	2	1		1		2 – NA
We maintain and regularly review a board skills matrix to ensure we have or have access to the appropriate skills to meet the objectives in our business plan	2	1	1			2 – NA
Skills gaps are identified and appropriately managed through training, access to advisers and/or co-opting resources	1	1	3			1 - NA

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www.trusteetoolkit.com
Free online learning for trustees

www.pensionseducationportal.com
Free online learning for those running public service schemes

Sample board evaluation questions

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The Pensions
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Guidance for trustees

Sample board skills matrix

February 2018

Sample board skills matrix

This example board matrix will help you record the skills, knowledge, understanding and experience of the whole trustee board. It is not intended to be an exhaustive list of matters you should consider, and the skills required will vary depending on the size and complexity of your scheme.

You should base your skills matrix on the objectives you've agreed in your business plan and think about the knowledge, skills and competencies your board will need to achieve them. You should also consider any upcoming exercises or projects which may require additional skills and experience, for example preparing for a change in law or a change in service provider.

Once you have identified the skills and experience you need, you should prioritise those which are essential for your board to effectively manage the scheme over the next year. You should also identify which are critical, which will help mitigate risks, which are essential for all trustees to meet and how others may be achieved by the collective board.

The trustees should assess themselves against the skills in this matrix to identify gaps, which can be addressed either through training, using advisers or gaining experience and expertise from a provider or employer in an advisory role. For example, you may consider inviting non-trustees from the business with a specific skill or experience to sit on a sub-committee, or appoint an adviser to work with you on a specific project for a limited period of time.

Sample questions

Key:	Excellent	Good	Some	Limited	None
Select the skills required and at what level for each trustee by ticking the relevant box using the key above as a guide		Essential or desirable	Trustees	Not applicable	
Behaviours					
Demonstrates consistent attendance at board meetings	E - 3	Excellent - 2	2		
Always prepared for meetings. Reads board papers in advance and is prepared to engage and ask questions.	E - 2 D - 1	Excellent - 2	2		
Contributes and facilitates discussion to develop ideas	E - 2 / D - 1	Excellent - 1 / Good - 1	2		
Communicates clearly and openly to secure understanding	E - 3	Excellent - 1 / Good - 1	2		
Able to work effectively with other board members of varying experience and understanding	E - 2 D - 1	Excellent - 1 / Good - 1	2		
Works collaboratively and establishes good working relationships	E - 3	Excellent - 1/ Good - 1	2		
Committed to the objectives of the scheme	E - 3	Excellent - 2	2		
Motivated and enthusiastic and able to convey this to others	E - 2 / D - 1	Excellent - 2	2		
Takes responsibilities for actions	E - 3	Excellent - 1 / Good - 1	2		
Identifies risks and threats and appropriate action	E - 2 / D - 1	Good - 2	2		
Questions and challenges when necessary, to further board understanding and develop problem-solving	E - 3	Excellent - 1 / Good - 1	2		

Key:	Excellent	Good	Some	Limited	None	
Select the skills required and at what level for each trustee by ticking the relevant box using the key above as a guide		Essential or desirable	Trustees	Not applicable		
Behaviours ctd						
Uses judgment and common sense in making informed decisions	E – 2 D - 1	Excellent – 1 / Good - 1	2			
Undertakes learning and development to improve trustee skills and is aware of own strengths and weaknesses	E - 3	Good - 2	2			
Understands, and is committed to, the objectives of the scheme	E – 3	Excellent - 2	2			
Acts with transparency and integrity, and manages personal conflicts of interest	E – 3	Excellent - 2	2			
Accountabilities						
Detailed knowledge of the role and responsibilities of trustee board members and all those involved in running the scheme	E - 1	Good – 1 / Limited - 1	4			
Understanding of, and has access to, the register of delegations	E – 1 D - 1	Some – 1 / None - 1	3			
Understanding of, and has access to, the register of trustee discretionary decisions	E - 1	Some – 1 / None - 1	4			

Key:	Excellent	Good	Some	Limited	None
Select the skills required and at what level for each trustee by ticking the relevant box using the key above as a guide		Essential or desirable	Trustees	Not applicable	
Knowledge and understanding					
Has completed the Trustee toolkit or equivalent learning, which meets the relevant TKU requirements	D - 3	Some – 1 / Limited - 1	2		
Demonstrates evidence that knowledge has been kept up to date	E – 1 D - 2	Good – 1 / Some - 1	2		
Assessed own knowledge and understanding against current TKU scope guidance: www.tpr.gov.uk/trustees/ongoing-learning-and-development.aspx#s21285	E – 1 D - 1	Good – 1 / None - 1	3		
Understands the duties of occupational pension scheme trustees, including the pensions and trustee legislative framework, common law in the UK and how this applies to the scheme	E - 2	Some	4		
Awareness of Myner's principles of investment governance	E – 2 / D - 1	Excellent – 1 / Some - 1	2		
Awareness and understanding of TPR's codes of practice and guidance and how they apply to the scheme	E – 2 D - 1	Some – 1 / Limited - 1	2		
Awareness and understanding of GDPR	E – 1 / D - 2	Excellent – 1 / Some - 1	2		

Key:	Excellent	Good	Some	Limited	None
Select the skills required and at what level for each trustee by ticking the relevant box using the key above as a guide		Essential or desirable	Trustees	Not applicable	
Scheme specific knowledge					
Has a working knowledge of, and has access to, the trust deed and rules including any amending deed		D - 1	Good – 1 / Limited - 1	4	
Has a working knowledge and access to member booklets and announcements		E - 3	Excellent – 1 / Some - 1	2	
Has a working knowledge and access to the latest statement of investment principles		E – 2 D - 1	Excellent – 1 / Good - 1	2	
For DB schemes, has a working knowledge and access to the latest statement of funding principles where the scheme is subject to Part 3 of the Pensions Act 2004		E – 2 D - 1	Good – 1 / Not known - 1	2	
Understands the scheme's investments in relation to diversification and risk		E - 3	Some - 2	2	
Has a working knowledge and access to the scheme business plan		E – 2 D - 1	Good – 1 / Under development	2	
Awareness and understanding of the scheme's conflicts of interest policy		E - 3	Excellent – 1 / Some - 1	2	
Awareness and understanding of the scheme's risk register		E - 3	Excellent – 1 / Good - 1	2	
Understanding of the priorities of risks on the register relating to likelihood and impact on members		E - 3	Good - 2	2	
Has an understanding and access to contracts with advisers		E – 1 / D - 1	Some - 1	3	

Key:	Excellent	Good	Some	Limited	None		
Select the skills required and at what level for each trustee by ticking the relevant box using the key above as a guide		Essential or desirable	Trustees	Not applicable			
Scheme specific knowledge ctd							
Has a working knowledge and access to the scheme’s internal dispute resolution process		E - 3	Some – 1 / Limited - 1	2			
Skills							
Demonstrates practical problem-solving skills		E – 2 / D - 1	Good - 2	2			
Experienced in evaluating board decisions and participating in board performance reviews		E - 2	Good – 1 / Limited - 1	3			
Contract management		E – 1 / D - 2	Some – 1 / Limited - 1	2			
Demonstrates analytical skills		E – 1 / D - 2	Good – 1 / Some - 1	2			
Demonstrates strategic and creative thinking		E – 1 / D - 2	Good – 1 / Some - 1	2			
Demonstrates attention to detail		E – 1 / D - 2	Good - 2	2			
Absorbs and analyses large quantities of information		E – 2 / D - 1	Good – 1 / Some - 1	2			
Demonstrates influence and consensus building skills		E – 1 / D - 2	Good – 1 / Some - 1	2			
Demonstrates active listening skills		E - 3	Good - 2	2			

Key:	Excellent	Good	Some	Limited	None
Select the skills required and at what level for each trustee by ticking the relevant box using the key above as a guide		Essential or desirable	Trustees	Not applicable	
Experience The items below cover areas of experience which the trustee board as a whole may want access to, either from trustees on the board or through advisers.					
Relevant experience of sitting on governance boards	E – 1 / D - 2	Good – 1 / Some - 1	2		
Strategy development experience	D - 2	Good	3		
Pensions industry experience	E – 1 / D - 2	Some – 1 / Limited - 1	2		
Pension administration experience	E – 1 / D - 2	Limited - 2	2		
Financial management experience	E – 1 / D - 2	Good – 1 / Some - 1	2		
Investment experience	E – 1 / D - 2	Some – 1 / Limited - 1	2		
Legal experience	E – 1 / D - 2	Limited - 2	2		
Communications/marketing/media experience	E – 1 / D - 2	Some – 1 / Limited - 1	2		
Professional trustee experience		Some	5		
Experience of prioritising, assessing and mitigating risk	E – 1 / D - 2	Good – 1 / Some - 1	2		
Experience of HR and payroll practices	E – 1 / D - 2	Good – 1 / Limited - 1	2		

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Sample board skills matrix

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