Local Pension Board
Date: 21st December 2022

EDI Survey for Members
(for information and discussion)

Report of the Head of Pensions

Purpose of Report

1. This report advises the Board of our proposal to conduct an EDI survey with LGPS members.

2. The Board is recommended to

    -   note the report

    -   comment on the approach as set out in the report

    -   express its views on the proposed EDI scheme member survey questions

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Background

3.	Understanding Equality Diversity and Inclusion (EDI) is vital for improving and shaping services. Tyne and Wear Pension Fund is committed to equality of opportunity and respect for diversity in its role as a provider of quality services and has been working with South Tyneside Council on this area of activity.

4.	One of the first steps towards creating a culture of EDI that embraces and develops individuals and provides opportunity is to get an understanding of the EDI profile of the workforce and the client base. This means that measures and initiatives put in place will be relevant and tailored to employees and service users.

5.	The issue of diversity in the Fund's Governance arrangements was recently picked up in an audit report from Deloitte. This report seeks to update the Local Pension Board on this issue and the work the Fund is starting to undertake on the wider aspects of EDI. The Local Pension Board has the issue of EDI included in its workplan for 2022/23.

Pension Fund Governance Review 2021/22

6.	Each year the Fund commissions a high-level review of the Governance arrangements at the Fund and the approach to decision making. This helps ensure that appropriate arrangements are in place that reflect good practice and the outcome of the review is used as external evidence in the Committee and the Local Pension Board's annual assessment of performance. This review is undertaken by Deloitte, who is the Fund's internal audit partner.

7.	The 2021/22 review was received in January 2022. Although the Fund was given 'Substantial Assurance' (Deloitte's highest level of assurance) a small number of recommendations came from this review.

8.	One of the low priority recommendations was - *"One aspect that could be further developed is the level of diversity at both a Board and Committee level, as observed from discussion with senior management and attendance on 30 November 2021. We would encourage the Fund to consider how it can try to improve the diversity of the composition of the Committee and the Board as a whole".*

9.	The Fund accepted this recommendation and agreed to consider how it can try and improve diversity on the Committee and the Local Pension Board.

10.	The constitution sets out the membership of the Committee and Local Pension Board and this seeks to ensure that there is an appropriate balance of the membership between a range of stake holders.

11. The Committee is made up of the following representatives:

- Eight voting South Tyneside Councillors, which reflects the political balance of the overall Council. Six of the eight, are labour Councillors and the remaining two are opposition Councillors.

- The other five councils in Tyne and Wear and Northumberland nominate one voting member (Councillor) each and one substitute member. Both the voting member and the substitute member are encouraged to attend the Committee meetings and participate in debate.

- The other employers (not the councils) in the Fund have three non-voting members.

- The trade unions, who act as representatives of the Scheme Members also have three non-voting members.

12. South Tyneside Council has the majority membership as it is the administering authority of the Fund and the Pensions Committee is a Committee of the Council. Under local government rules only councillors can have a vote on a council committee.

13. A nomination process is undertaken each year and it is purely a decision for each organisation on who to nominate for a position on the Pensions Committee. When seeking a nomination from the other employers and the trades unions an email is sent to each employer and trade union asking for nominations. If more than three nominations are received it is up to the employers or the trade unions to decide who will be a member on the Committee, not the Fund. The Fund will however, help facilitate this process if more than three nominations are received. In reality the level of nominations is not large and this has not been a problem.

14. The Local Pension Board membership is made up of four employer representatives (one of which is from South Tyneside Council as the administering authority) and four scheme member representatives (once again the representatives are sourced from the trades unions). This is not a formal committee of the council and all representatives on the Local Pension Board have a vote.

15. For the Local Pension Board, the nomination process is undertaken every three years. As with the process for Pensions Committee an email is sent to each employer and trade union in the Fund asking for nominations. If more nominations are received than spaces available, it is up to the employers or the trade unions to decide who will sit on the Local Pension Board. Once again the Fund will help facilitate this process.

16. Whilst the constitution and approach to the membership of the Committee and Local Pension Board seeks to diversify membership between a range of stakeholders, the balance between gender, age etc is more difficult to achieve as the Fund itself has little or no control over this, as decisions on membership are taken by a range of other organisations.

17. Nevertheless, in response to the recommendation from Deloitte in the Governance Audit, the Fund has amended the wording of the email sent out to employers and the trades unions to include the following sentence "*The nominations will be considered by South Tyneside Council and the representative will be selected with the aim of achieving an appropriate balance of representation, knowledge and experience on the Board*".

18. This therefore provides some scope for decisions on membership to take into account issues on Equity, Diversity and Inclusion.

Wider Approach to Equality Diversity and Inclusion

19. Whilst the recommendation from Deloitte focussed on governance arrangements at the Fund and the composition of the Committee and the Local Pension Board, this has proved to be a catalyst for the Fund to consider its wider approach to Equality Diversity and Inclusion (EDI). This is taking place alongside the work of the Council which is referenced below.

20. One of the first stages is to consider collecting data on the membership of the Fund and the workforce. Collecting EDI data has many advantages. It helps us to build an understanding of the starting point of where we are as an organisation at present. It helps us measure progress of how far we have travelled on our EDI journey and brings greater objectivity when making decisions on where to invest time, action and resource.

Council Approach and Staff Survey

21. Recently the Council has set about refreshing it's EDI vision. It has established an EDI working group and the Fund is represented on this group by the Governance and Funding Manager. This group looks at creating links and collaborating to ensure that Equality, Diversity and Inclusion is considered in all aspects of the work the Council undertakes.

22. The Council group is conducting an EDI Survey of employees as they wanted to understand the baseline figures of the EDI makeup amongst staff.

23. Once the results of the Council survey are released the Fund intends to extrapolate the wider Council workforce snapshot to help determine

the EDI profile of Pensions. It is not considered appropriate or necessary to undertake a survey solely for Pensions due to the smaller sample size, which may risk potential identification of individual staff members from responses given.

24.   The Council's EDI working group intends to use the workforce survey results to produce an EDI offer to staff, to improve culture and provide opportunity. Ownership of EDI happens when staff feel invested in it. The Pension Fund will take an active role in this process and develop its own approach which is consistent with that of the Council.

Developing an EDI Survey for LGPS Members

25.   Following our recent re-structure of the Pensions Service the Fund is in the process of developing a Member Engagement Strategy. One way of understanding members is to survey them. Determining barriers to services and the individual circumstances (even in general terms) that affect our members is a useful exercise in gaining a snapshot of the membership, which helps to develop our engagement strategies as well as allowing us to consider our demographics and member base alongside other funds.

26.   As a starting point to collect EDI data on the membership it is proposed to utilise the questions (with some adjustments) that had been used for the Council EDI Staff Survey. The Council group were comfortable with the Fund using the question base and confirmed that this was the most up to date information that they had in terms of EDI descriptors. Large organisations such as the NHS had conducted surveys using the same descriptors.

27.   The Fund has also considered The Pension Regulator's good practice documents in relation to developing EDI within pension funds, which suggests that using the widest definition of inclusion to cover areas such as socio-economic issues was good practice. This is very relevant in the current challenging economic climate we face. Therefore, some additional questions have been included to capture this information.

28.   Considering the sensitivity of the questions, the survey will be anonymised.

29.   A summary of the proposed questions in the survey is attached at Appendix A. The Local Pension Board's views on these questions is requested.

Proposed Conduct of the EDI Survey for LGPS Members

30.   The proposal is to undertake this survey electronically, by directly emailing scheme members, where we have a valid email address. This should involve circa 56,000 members split over 22,000 actives, 12,000 deferreds and 22,000 pensioners. This is around 33% of our overall membership.

31.   In addition, to help improve the sample size the Fund will liaise with employers to encourage participation by helping signpost a direct link to the survey on the Fund's public website.

32.   The survey will commence in early 2023.

33.   Our intention to use electronic means in the first instance, may be revisited once we have evaluated the responses received from the electronic survey.

34.   Whilst a purely electronic survey may have its limitations and may restrict some members from taking part, the practicality of undertaking this survey electronically and the large sample size suggests that results should give a reasonable snapshot of the EDI characteristics of the membership.

35.   In order to get meaningful data it is important for the Fund to achieve a good response rate to the survey. When conducting surveys, it has been suggested a response rate of around 20% of the sample data size (56,000) would be needed to get truly meaningful output. This would mean getting 11,200 responses (20% of 56,000), which will be a challenge. We need to consider this when we receive the overall response rate after the exercise concludes. Nevertheless, it is considered to be very important to start this process and to try and establish a starting point to understand the membership better, track progress and help inform service provision.

36.   Conducting an EDI survey on this large scale will give the results a degree of anonymity which means that responses can't be tracked back to individual survey participants (hence why we are extrapolating the Council EDI Survey results to inform the Pensions Service EDI profile).

Potential Survey of the Committee and the Local Pension Board

37.   Whilst it would be interesting to gain a more detailed understanding of the EDI characteristics of the Committee and the Local Pensions Board, there are concerns about the potential to be able to identify individuals. Therefore, at this stage such a survey is not being proposed. The Local Pension Board's views on this are requested.

Conclusion

38.   We are committed to understanding the EDI profile of our staff and members to develop and improve our services. The surveys noted cover both of these categories of stakeholders and will help inform future service provision.

Recommendation

39.   The Board is recommended to

- note the report

- comment on the approach as set out in the report

- express its views on the proposed EDI scheme member survey questions.

Reason for the Recommendation

40.   To improve the Fund's understanding of the EDI characteristics of the employees and scheme members and help inform future service provision.

APPENDIX 1

Tyne and Wear Pension Fund

Equality, Diversity and Inclusion Survey

Q1

How did you hear about this survey?

- **A direct email from the Tyne and Wear Pension Fund**

- **Via your employer**

- **Tyne and Wear Pension Fund's website**

- **Other (please specify)**

Q2

What is your membership status in Tyne and Wear Pension Fund?

- **Active - currently paying into the Scheme**

- **Deferred - No longer paying in the Scheme as I have left my employment**

- **Opted out with either a refund or deferred benefit entitlement**

- **Receiving a pension**

Q2a

If you opted out of the Scheme, please can you tell us the reason(s) why?

- **Affordability**

- **Left the employment that the pension related to**

- **My employer was no longer part of TWPF**

- **Other**

Q3

Employment status - please tell us which best describes your current employment status

- **Employed - Full time**

- **Employer – Part time**

- **Unemployed**

- **Retired**

- **Other**

- **I do not wish to disclose this information**

Q4

Annual Income - Which of the following best describes your personal annual income last year?

- **£0**

- **£1 to £9,999**

- **£10,000 to £24,999**

- **£25,000 to £49,000**

- **£50,000 to £74,999**

- **£75,000 to £99,999**

- **£100,000 or more**

- **Prefer not to say**

Q5

Gender - Which of the following best describes your gender?

- **Woman**

- **Man**

- **Non-Binary**

- **None of the above - I prefer to self-describe**

- **I do not wish to disclose this information**

Q6

Gender - Is your gender identity the same as the sex you were registered at birth?

- **Yes**

- **No**

- **I do not wish to disclose this information**

Q7

Age

16-20 21-30 31-40 41-50 51-65 66–75 76–85 85+

I do not wish to disclose this information

Q8

Ethnicity - What is your ethnic background?

- **Bangladeshi**

- **Chinese**

- **Indian   Pakistani**

- **Any other Asian background**

- **African   Caribbean**

- **Any other African/Black/Caribbean background**

- **White and Asian**

- **White and Black African**

- **White and Black Caribbean**

- **Any other Mixed/Multiple ethnic background**

- **Arab**

- **Any other ethnic background**

- **White English/Welsh/Scottish/Northern Irish/British**

- **White Gypsy or Irish Traveller**

- **White Irish**

- **Any other White background**

- **I do not wish to disclose this information**

Q9

Sexual orientation - which of the following best describes your sexual orientation?

- **Bi-sexual**

- **Gay or Lesbian**

- **Heterosexual or straight**

- **None of the above - I prefer to self-describe**

- **I do not wish to disclose this information**

Q10

What is your religion? Are you?

- **Buddhist**

- **Christian**

- **Hindu**

- **Jewish**

- **Muslim**

- **Sikh**

- **Another religion not specified**

- **I do not have a religion**

- **I do not wish to disclose this information**

Q11

Disability - Do you consider that you have a physical condition or illness lasting or expected to last for 12 months or more?

- **Yes**

- **No**

- **I do not wish to disclose this information**

Q12

Disability - Do you consider that you have a mental health condition or illness lasting or expected to last for 12 months or more?

- **Yes**

- **No**

- **I do not wish to disclose this information**

Q13

Do you have any comments / suggestions about the service we provide to you?

background papers **background papers** background papers

EDI Survey for members

The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:

Background Paper	File Ref:	File Location