



# Learning and Development Strategy for Authority and Pension Board Members

2021

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## Foreword

Becoming a member of the Pensions Authority or the Local Pension Board for the first time can be daunting for anyone who has not previously been involved in the running of a major financial institution, which in reality is most people.

The reality of course is that Members of the Authority and the Board are not expected to understand the finer nuances of financial markets, their overriding responsibility is to ensure that the organisation acts in the best interests of the present and future beneficiaries of the South Yorkshire Pension Fund.

With this responsibility comes an obligation on members individually and collectively to ensure that they possess sufficient knowledge and understanding of the issues that will come before them to effectively question and challenge officers and advisers before coming to decisions.

This Strategy provides a framework for identifying the learning and development that members of the Authority and Local Pension Board need to carry out their role, as well as identifying both an annual programme of supported activity and an appropriate level of commitment by members to ensure that the relevant level of knowledge and understanding is maintained. The strategy is flexible enough to allow for the fact that individual Members have different skills, experience and knowledge and can be tailored to suit Member needs and capacity.

We hope that you will embrace the learning and development programme to help the Pensions Authority to meet its objective of providing effective and transparent governance.

George Graham  
Director

Sarah Norman  
Clerk

## Introduction

South Yorkshire Pensions Authority is committed to continuous improvement as a key part of its overall approach to service delivery. As part of this members of the Authority and the Board as well as the Authority's officers have an obligation to ensure that they have a level of knowledge and understanding of the issues with which they are dealing to allow them to make properly informed decisions.

The purpose of this Learning and Development Strategy is to provide a framework for Members to access the support they need and enables the Authority to manage the risk of failing to meet its objectives if Members are not adequately trained and kept up to date on Pensions and Investment matters. Separate but similar arrangements apply to the Authority's staff.

This strategy has been produced with reference to CIPFA's framework for knowledge and understanding which represents a best practice standard in this area.

## Obligations on Members

The specific obligations placed on members of the Authority and the Local Pension Board in relation to knowledge and understanding differ. However, in reality while they may be arrived at by different routes the end point is the same.

Members of the Authority are under a common law obligation to act reasonably. This means that in making decisions they should evaluate evidence and come to a decision that would be arrived at by a reasonable person having considered the same evidence. In order to consider and weigh evidence it is necessary to have sufficient expertise, skills and knowledge to challenge the evidence being considered. These obligations are amplified in the Principles for Investment Governance which are set out in Appendix 1.

Members of the Local Pension Board are required by the relevant regulations to maintain a level of knowledge and understanding sufficient for them to carry out the functions of their role. A similar requirement is proposed for Authority members, although it is not clear when the relevant regulations will come into force.

In both cases the Pensions Regulator's new single code defines requirements for the maintenance of knowledge and understanding by those involved in the "governing body" of a pension fund. This strategy reflects current understanding of the requirements of the Code and the Authority will be required to monitor and report upon compliance with the Code at both an individual member level and collectively.

Given these obligations on individuals it is incumbent on the Authority as an institution to assess the learning and development needs of members on an ongoing basis and to put into place a programme of activity to address the needs identified. Equally it is incumbent on members to take advantage of the opportunities offered, both in fulfilment of their obligations and to avoid the wasting of public money, and consequently this strategy sets out some minimum expectations in terms of the commitment required to learning and development activity.

## Aims and Objectives

The overall **aim** of the Strategy is to provide clear direction and purpose in respect of learning and development in order to achieve:

- Well-equipped Members who are confident and able to carry out their roles effectively
- A consistent approach to Member learning and development
- Equality of opportunity

The **objectives** of the Strategy are:

- To establish an environment where Member learning and development is seen as an integral part of the governance role of Members of the Authority and Local Pension Board.
- To equip Members with the knowledge and skills necessary to fulfil their role in the delivery of a high quality service to scheme members and employers.
- To ensure all Members are provided with a level of learning and development appropriate to their roles and responsibilities on the Pensions Authority or Local Pension Board.
- To ensure learning and development is available to all Members irrespective of seniority, length of service and political affiliation.
- To enable Members to have a clearer understanding of their personal responsibility for continuous development and to facilitate this process.
- To provide learning and development in line with the commitment to equal opportunities.

## Establishing Learning Needs

Each year prior to the relevant Annual Meeting the Authority's Clerk will work with each member of the Authority and Local Pension Board to establish their individual learning and development needs. For members appointed at other times the assessment will take place prior to their first meeting.

This process will be undertaken by telephone interview with reference to a structured questionnaire. The questionnaire is the starting point of a process which will seek to:

- Establish the individual member's assessment of their level of knowledge and understanding in 6 areas:
  - Pensions Legislation and Governance
  - Pensions Accounting and Auditing Standards
  - Financial Services Procurement and Relationship Management
  - Investment Performance and Risk Management
  - Financial Markets and Product Knowledge
  - Actuarial Methods Standards and Practices
- Compare the collective assessment for each of the Authority and the Local Pension Board against the CIPFA Knowledge and Skills Framework standards and the specific work programmes for the Authority and Local Pension Board.
- As a result of this comparison identify:
  - Fundamental knowledge gaps applying to individual members
  - Weaknesses in the collective knowledge and understanding of either the Authority or Local Pension Board
- Produce a programme of activity which will address any gaps and weaknesses identified, provide a refresh of current knowledge and provide understanding of current and future developments affecting the Authority.

For the Authority this process will be undertaken in consultation with the Director and the Independent Investment Advisers and for the Local Pension Board in consultation with the Director and Independent Adviser. The Chairs of the Authority and Local Pension Board will be consulted before the finalisation of any programme which will be presented to the Annual Meeting of the relevant body.

## Mandatory Requirements

All members of the Authority and the Local Pension Board are required within 12 months of joining the relevant body to have completed:

- The Local Government Association's Pensions Fundamentals Course
- The Pensions Regulator's on line Public Service Toolkit

In addition new members will be provided with the Members' Handbook which contains a considerable amount of introductory information and which is supported by a short reading list. They will be expected to self-certify that they have completed this initial reading before their first meeting.

These requirements ensure that all members join the Authority with a core level of knowledge.

An annual induction programme will be provided alongside the Annual Meetings of the Authority and the Board which all members are required to attend.

For members who join either the Authority or the Board during the course of the municipal year an induction session with one of the Authority's Senior Management Team will be provided. New members will be required to complete this session prior to attending their first meeting.



## The Annual Learning and Development Programme

The Authority's Officers will each year develop an annual learning and development programme for the Authority and the Local Pension Board in the light of the assessment of learning and development needs.

The programme will comprise a number of elements:

- Access to on line learning materials and background reading
- Seminars organised specifically for SYPA which will be either virtually or in person (some of these will be targeted at members of either the Authority or the Local Pension Board)
- The opportunity to attend externally organised on line events
- The opportunity to attend a selected range of externally organised in person events

It is expected that members of the Authority and the Board will:

- Undertake reading to address their individually identified learning needs and to support preparation for meetings of the Authority and Board.
- Attend those seminars which are identified as relevant to their particular role.
- Attend on line events which address their individually identified learning needs.
- Attend at least one externally organised in person event each year.
- Share materials from external events with other members through the on line reading room.

In addition it is expected that new members will:

- Undertake the mandatory activity required to achieve a minimum level of knowledge and understanding during their first year of membership.
- Undertake the required initial background reading prior to their first meeting.

Wherever possible, and appropriate, the Authority will work in partnership with other local government pension funds to share learning and development and any associated costs.

In addition where specific learning needs are identified which can be addressed through 1:1 or small group sessions with the Authority's officers these will be provided in addition to the core schedule of activity.

The proposed programme of seminars and external events for the 2021/22 Municipal Year is set out in the Appendices to this strategy. Details of on line learning opportunities will be circulated to members as they become available.

## Resourcing

The level of resources allocated to support training and development activity in 2021/22 is

- For the Authority £ 5,000
- For the Local Pension Board £ 6,000
- Total £11,000

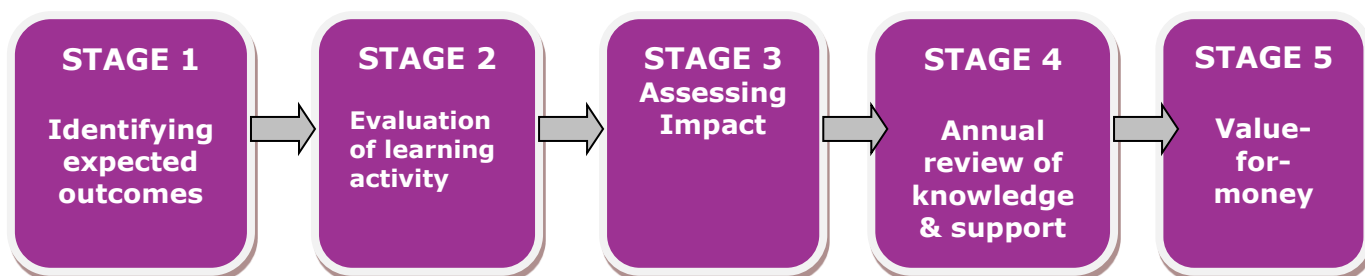
Historically these budgets have consistently been underspent. It is intended that a more active approach to delivery and the clearer expectations set out in this strategy will reduce the level of underspend in future years.

In order to achieve appropriate value for money the number of member attendees at external in person events will be limited to 2 with the exception of the Border to Coast Annual Conference where the maximum possible number of places will be made available. For virtual events there will only be a limit to numbers attending where the event is paid for in which case the limit will be 2.

## Monitoring Evaluation and Review

A five-stage evaluation process is proposed to monitor the success of the Member Learning and Development Strategy. This process is intended to measure the benefits to:

- Individual Members.
- Pensions Authority and Local Pension Board in meeting their priorities.
- Pensions Authority and Local Pension Board Stakeholders



### Stage 1 – Identifying expected outcomes

- Establish expected outcomes – what do Members want to achieve from taking part in courses, workshops? e.g. gain a new skill, improve knowledge on a particular subject.

### Stage 2 – Evaluation of learning activity

- Immediate response to learning activity.
- How relevant was the learning activity to agreed outcomes?

### Stage 3 – Assessing Impact

- Check whether outcomes have been met via the annual Development Discussion.
- Feedback from others – trainers, other participants.
- Assess how attitude, knowledge or skill has improved and how this will be used / applied in the context of the Pensions Authority.

### Stage 4 – Annual review of learning and development

- Review learning and development activity and identify new requirements, e.g. Member request, new legislation, new expectations, roles etc.

### Stage 5 – Value-for-money

- Assess money spent against learning outcomes and performance measures to demonstrate value-for-money.

Details of the volume of formal learning and development activity undertaken by members of the Authority and the Local Pension Board has to be published within the Authority's annual report each year. Over time it is expected that this will evolve to include a qualitative assessment in addition to purely quantitative measures.

Members must ensure that they properly record and evaluate their participation in learning activity using the means provided by the Authority.

The Strategy reflects an approach to Member development which focuses on providing learning and development rather than formal training. The Strategy will be reviewed annually to keep pace with national and local changes and to reflect the development of the annual programme of activity.

## Appendix 1 – Principles for Investment Governance

**Principle 1** – Administering authorities should ensure that:

- Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively monitor their implementation, and
- Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.

**Principle 2** – Trustees should set out an overall investment objective(s) for the fund that takes account of the scheme’s liabilities, the strength of the sponsor covenant and the attitude to risk of both the trustees and the sponsor, and clearly communicate these to advisers and investment managers.

**Principle 3** – In setting and reviewing their investment strategy, trustees should take account of the form and structure of liabilities. These include the strength of the sponsor covenant, the risk of sponsor default and longevity risk.

**Principle 4** – Trustees should arrange for the formal measurement of the performance of the investments, investment managers and advisors. Trustees should also periodically make a formal policy assessment of their own effectiveness as a decision-making body and report on this to scheme members.

**Principle 5** – Trustees should adopt, or ensure their investment managers adopt, the Institutional Shareholders’ Committee (ISC) Statement of Principles on the responsibilities of shareholders and agents. A statement of the fund’s policy on responsible ownership should be included in the Statement of Investment Principles. Trustees should report periodically to members on the discharge of such responsibilities.

**Principle 6** – Trustees should act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives. Trustees should provide regular communication to members in the form they consider most appropriate.

Throughout the word Trustees should be taken to refer to members of the Authority.

*From the Myners Report on Institutional Investment in the UK (2001)*

## Appendix 2 – Internal Seminar Programme 2021/22

<b>Date/Target Audience</b>	<b>Authority Members</b>	<b>Local Pension Board Members</b>
<b>10<sup>th</sup> June 2021</b>	Induction	
<b>1<sup>st</sup> July 2021</b>	Investment 101	
<b>July 2021 (date to be finalised)</b>		Induction
<b>July 2021 (date to be finalised)</b>	Annual Accounts Briefing for Audit Committee Members only prior to the Audit Committee meeting	
<b>16<sup>th</sup> September 2021</b>	Impact and Stewardship Reporting	
<b>October 2021</b>		The Regulator's Single Code
<b>28<sup>th</sup> October 2021</b>	Risk Management	
<b>11<sup>th</sup> November 2021</b>	Actuarial Valuations Introduction	
<b>February 2022 (date to be finalised)</b>	Border to Coast Real Estate Products	
<b>March 2022 (date to be finalised)</b>		Topic to be finalised in light of needs assessment

## Appendix 3 – Approved External Events

For 2021/22 in the aftermath of the Covid 19 pandemic some of the following events may be run virtually or not run at all. Where events are virtual and not charged for there will be no limit on attendees.

Details of further events will be provided when they become available if relevant. Members may receive invitations to some events directly but should not respond to these as only attendance at events agreed as suitable by the Authority will be supported.

<b>Date / Target Audience</b>	<b>Authority Members</b>	<b>Local Pension Board Members</b>
<b>June 2021</b>		CIPFA Local Pension Board Event
<b>September 2021</b>	LGC Investment Summit Border to Coast Annual Conference	
<b>October 2021</b>	PLSA Annual Conference	
<b>November 2021</b>	SPS Annual Northern Investment Conference for Pension Funds	
<b>December 2021</b>	Local Authority Pension Fund Forum Conference	
<b>January 2022</b>	LGA LGPS Governance Conference	
<b>February 2022</b>		CIPFA Local Pension Board Event
<b>May 2022</b>	PLSA Local Government Conference	

Priority for bookings will always be given to members of the relevant target audience. Where the target audience is universal places will be allocated on a first come first serve basis.