

# **SOUTH YORKSHIRE PENSIONS AUTHORITY**

**11 JUNE 2015**

## **Report of the Clerk to the Pensions Authority**

### **MEMBER DEVELOPMENT ANNUAL UPDATE**

#### **1. Purpose of the Report**

To provide an update on the learning and development arrangements for members of the Authority.

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#### **2. Recommendations**

**Members are asked to:**

- 2.1 Nominate and appoint a Lead Member for Learning and Development.**
  - 2.2 Commit to a round of personal development reviews to be arranged with individual Members following the exercise.**
  - 2.3 Develop an annual training plan and approve further development prior to implementation.**
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Appendix A Learning and Development Strategy

Appendix B LGPS Trustee Training Fundamentals – 2015 programme

Appendix C Training Needs Analysis Questionnaire

### **3. Background Information**

- 3.1 Continuous training and development is essential for every member of a public authority, and the introduction of more demanding governance requirements over the last 10 years has formalised the requirements. For Pensions Authorities, the need is accentuated because it is such a specialised area of local authority business, and involves responsibility for substantial levels of funds.
- 3.2 The Pension Regulator issues a code of practice relating to the governance and administration of public service pension schemes. The code sets out the standards expected by the regulator and sets out principles, examples and benchmarks to use to assess whether pension members have sufficient knowledge and understanding for them to effectively carry out their role.
- 3.3 The Code of Practice states '*Schemes should establish and maintain policies and arrangements for the acquisition and retention of knowledge and understanding for their pension board members. Schemes should designate a person to take responsibility for ensuring that a framework is developed and implemented*'.
- 3.4 Shortfalls in member capacity and development are likely to attract adverse reports from external auditors and the Government under the new requirements.
- 3.5 To address this the Authority has approved a Member Learning and Development Strategy, attached at Appendix A.

### **4. Aims of a member development programme**

- 4.1 Learning and development is a continuous process:-
- Induction training  
New members of the Authority require initial training on the role of the Authority; how it is organised; the basics of the Local Government Pensions Scheme; and the mechanics of how the Fund manages its investments. The Authority uses the LGPS Trustee Training Fundamentals All new Members are expected to complete the 3 day training as a minimum requirement and any existing Members who have not yet completed the 3 day course. See appendix B for details of the 2015 programme.
  - Investment principles  
All members need to undergo more specialised training on the principles of investment management.
  - Specialised training  
The investment world is continually developing, and members need to be aware of current thinking on issues such as performance

monitoring, benchmarking, asset and liability modelling and specialised areas such as private equity, socially responsible investing, and hedge funds. This training can be achieved through attendance of individual members on courses or seminars, or the provision of in-house seminars.

- General update  
Keeping all members up to date with what is happening in the LGPS, how the South Yorkshire Fund is performing, changes in legislation or regulations, and all the other developments in the Pensions and Investment world, can be covered by briefings, bulletins, Authority reports, circulation of journals and digests etc.

#### 4.2 Training needs

Individual members' needs will vary according to their previous experience and the length of time that they have been a member of the Authority. To address this and enable flexibility within the learning and development programme, Members are asked to complete a personalised training needs analysis questionnaire. Bespoke training plans can then be developed.

### 5. **Annual Training Plan – Next Steps**

- 5.1 Training is planned and delivered over the municipal year.
- 5.2 Induction training needs to be completed for the most recently appointed members, and Individual Training Needs Analysis questionnaires for all members, so that where necessary, specialised training can be arranged.
- 5.3 Based on the completion of this work, the Authority will be in a more informed position to take a view on the level of attendance at external seminars and conference, the provision of in-house seminars, and the circulation of briefing and information material.
- 5.4 All new Members plus any existing Members who have not yet completed the 3 day Fundamentals are expected to complete this as a minimum requirement of the Member Learning and Development programme.
- 5.5 The Pensions Regulator has developed an e-learning programme for public sector pension schemes. The toolkit is available on the Regulator's website and will be incorporated into the learning and development schedule. Support can be provided for individual Members to enable them to complete the course.
- 5.6 There is already a budget provision for training costs, which will meet most if not all of the costs. The ongoing information work is undertaken largely by officers of the Authority and the Pensions Service.

**Background papers** used in the preparation of this report are available for inspection at the offices of the Pensions Authority, 18 Regent Street, Barnsley.

**Other sources and references:**

The Pensions Regulator Code of Practice No.14  
Governance and Administration of Public Service Pension Schemes  
Published: Dec 2013