



**SOUTH YORKSHIRE
PENSIONS AUTHORITY**

Authorised and regulated by the
Financial Conduct Authority

Diana Terris
Clerk

18 Regent Street
Barnsley
South Yorkshire
S70 2HG

www.southyorks.gov.uk

NOTICE OF ORDINARY AUTHORITY MEETING

You are hereby summoned to the Ordinary meeting of South Yorkshire Pensions Authority to be held at the offices of South Yorkshire Pensions Authority, 18 Regent Street, Barnsley on Thursday 15 June 2017 at 10.15 am for the purpose of transacting the business set out in the agenda.

A handwritten signature in black ink that reads "Diana Terris".

**Diana Terris
Clerk**

This matter is being dealt with by: Gill Richards
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Distribution

Councillors S Ellis (Chair), S Durant, K Harpham, T Hussain, J Mounsey, K Richardson, A Sangar, I Saunders, Z Sykes, J Wood, R Wraith and K Wyatt

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SOUTH YORKSHIRE PENSIONS AUTHORITY

ORDINARY MEETING

15 JUNE 2017 AT 10.15 AM AT THE OFFICES OF SOUTH YORKSHIRE PENSIONS AUTHORITY, 18 REGENT STREET, BARNSELY, S70 2HG

Agenda: Reports attached unless stated otherwise

	Item	Page
1	Apologies	
2	Announcements	
3	Urgent Items To determine whether there are any additional items of business which by reason of special circumstances the Chair is of the opinion should be considered at the meeting; the reason(s) for such urgency to be stated.	
4	Items to be considered in the absence of the public and press. To identify items where resolutions may be moved to exclude the public and press. (For items marked * the public and press may be excluded from the meeting).	
5	Declarations of Interest.	
6	Loyal Service Award Scheme	1 - 2
7	Minutes of the Authority meeting held on 16 March 2017	3 - 8
8	Minutes of the Investment Board held on 9 March 2017	9 - 14
9	Work Programme	15 - 16
10	Section 41 Feedback from District Councils	Verbal Report

	Item	Page
11	Government Consultation on LGPS Pooling	Verbal Report
12	Quarter 4 Performance Snapshot Report	17 - 22
13	Compliance with the Principles for Investment Governance: Self Assessment	23 - 24
14	Trades Union Representation on Boards	25 - 26
15	Member Learning and Development Strategy	27 - 44

SOUTH YORKSHIRE PENSIONS AUTHORITY

15 June 2017

Report of the Fund Director

LOYAL SERVICE AWARD SCHEME

1. Purpose of the Report

To advise Members that there is one officer who is eligible to receive a loyalty award this year.

2. Recommendation

Members are recommended to note the report.

3. Background Information

- 3.1 The Authority agreed in 2011 to introduce a long-service award scheme for its employees having carefully considered the policies of neighbouring authorities.
- 3.2 It was agreed that all employees who have achieved twenty five years of continuous pension service (with the Authority or its predecessors) as at the first day of April each calendar year, would receive a certificate recognising their long service and be presented with £100 worth of retail vouchers.
- 3.3 On this occasion there is one officer who is eligible to receive their voucher and citation today.

4. Implications and risks

- 4.1 Financial: Budgetary provision has been made for these awards.
- 4.2 Legal: None
- 4.3 Diversity: The scheme applies to all staff equally.
- 4.4 Risk: None directly arising from this report.

S Barrett
Fund Director

Officer responsible: Lisa Darrell: SYPA HR

Background papers used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley.

Other sources and references: None

SOUTH YORKSHIRE PENSIONS AUTHORITY

16 MARCH 2017

PRESENT: Councillor S Ellis (Chair)
Councillor M Stowe (Vice-Chair)
Councillors: B Curran, E Butler, J McHale, H Mirfin-Boukouris,
A Sangar, P Wood, K Wyatt and R Wraith

Trade Unions: N Doolan-Hamer (Unison), G Warwick (GMB)
and F Tyas (Unite)

Officers: S Barrett (Interim Fund Director), G Chapman (Head
of Pensions Administration), S Smith (Head of Investments
SYPA), B Clarkson (Head of Finance), A Frosdick (Monitoring
Officer), F Foster (Treasurer), M McCarthy (Deputy Clerk) and
G Richards (Democratic Services Officer)

Observers: G Boyington, S Carnell, S Ross and J Thompson
(South Yorkshire Joint Local Pension Board)

Apologies for absence were received from Councillor Z Sykes

1 APOLOGIES

Apologies were noted as above.

2 ANNOUNCEMENTS

The Chair announced that this would be the last meeting for Councillor Butler and the Treasurer Frances Foster and asked Members to stay behind after the meeting for a presentation.

3 URGENT ITEMS

There were no urgent items.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS.

None.

5 DECLARATIONS OF INTEREST.

None.

6 MINUTES OF THE AUTHORITY MEETING HELD ON 12 JANUARY 2017

RESOLVED – That the minutes of the Authority meeting held on 12 January 2017 be signed by the Chair as a true record.

7 MINUTES OF THE EXTRAORDINARY MEETING HELD ON 16 FEBRUARY 2017

Councillor Wyatt requested that the minutes be amended to reflect his apologies for the meeting.

RESOLVED – That, subject to the above amendment, the minutes of the Extraordinary meeting held on 16 February 2017 be signed by the Chair as a true record.

8 WORK PROGRAMME

The Authority considered its Work Programme.

RESOLVED – That the Work Programme be noted.

9 SECTION 41 FEEDBACK FROM DISTRICT COUNCILS

Cllr J McHale reported that DMBC future service contributions were going up and deficit payments going down, the net effect was that payments remain the same in 2017/18 as they were in 2016/17.

Cllr P Wood commented that Sheffield CC would like to thank the Authority for taking up the issues with regard to Trade Union representation within the governance arrangements for the Border to Coast Pension Partnership.

There was still an issue with the share equity arrangement within the pool which would be raised at the relevant agenda item.

10 UPDATE ON MATTERS THAT HAVE ARISEN SINCE THE LAST MEETING

The Chair requested that the item be removed from future agendas as matter could be covered under 'Announcements' or elsewhere on the agenda.

RESOLVED – That the item 'Update on matters that have arisen since the last meeting' be removed from future Authority agendas.

11 2016 TRIENNIAL VALUATION UPDATE

The Authority considered a report which advised Members of the final outcome of the 2016 Triennial Valuation exercise.

The Actuary's assessment, which Members had received at the October meeting, had revealed a notional deficit of £1,083m representing a funding level of 85% (this was an improvement of 9% from the previous valuation) and an average employer's future accrual contribution rate of 14.8% (an average increase of 2% from the last valuation).

The Actuary had now completed his calculations; the overall final result was unchanged from that previously notified.

A copy of the valuation report would be issued to all Members when it became available and would be forwarded to the Secretary of State as required by the Pensions Regulations.

RESOLVED – That the report be noted.

12 REVISED FUNDING STRATEGY STATEMENT

A report was presented that informed the Authority of changes to the Funding Strategy Statement.

Members were reminded that the Pensions Regulations required the Authority to prepare, maintain and publish a written statement setting out their funding strategy having regard to the Authority's Investment Strategy Statement (ISS). The Funding Strategy Statement must be revised in accordance with any change in policy and any material changes to the ISS, and in particular so that the Actuary can take account of it when preparing his report on the Triennial Valuation.

The Regulations require the Authority to consult with interested parties before adopting a revised strategy. Employers had been issued with the revised Strategy along with their preliminary results and invited to comment on several matters.

The majority of employers that responded were supportive of the revised strategy; a few minor changes had been made to improve clarity. The strategy would be reviewed annually.

RESOLVED – That the revised Funding Strategy Statement be approved.

13 LGPS - REQUIREMENTS FOR ASSET POOLING

The Authority considered an amended report seeking authority for South Yorkshire Pensions Authority to pool its LGPS assets with 12 other Funds in the Border to Coast Pensions Partnership.

At the Extraordinary meeting of the Authority on 16 February 2017, Members had expressed serious concerns regarding the lack of information on the role of Trade Union representatives or Local Pension Boards within the Pool and had asked the Chair to contact the Chairs of the other members of the proposed Pool to ascertain their position on the matter.

There had also been concerns regarding infrastructure investment at the Extraordinary Authority meeting and the meeting of the Investment Board the previous week.

The Authority agreed to the Chair's suggestion to invite Fiona Miller, Chair of a Pool-wide Infrastructure Working Group, to a future meeting.

The Chair informed Members that she had spoken to all but one of the other Chairs. The vast majority valued Trade Union input at Authority level and would not want to see this decreased.

Various ideas had been put forward for involving Trade Unions and Local Pension Boards in the governance of the Pool. These would be discussed at the next BCP Governance sub-group, of which the Chair was a member.

Members were informed that at a meeting between the Chair, Vice-Chair, the Trade Union representatives and the Chair of the Local Pension Board an explicit SYPA policy had been agreed; this was detailed at paragraph 4.17 of the report.

It had also been decided that the Chair and Vice-Chair would meet with the Chair of the Local Pension Board and the Trade Union representatives ahead of BCPP Joint Committee meetings to consult on the agenda.

Members thanked the Chair for her work in this area, her time and efforts were appreciated.

Cllr P Wood expressed concerns about equal voting rights and the fact that the Authority would be contributing more assets than most other Authorities.

S Barrett and A Frosdick commented that this also had its advantages; set-up and ongoing costs would be the same for everyone – if SYPA had more than one share these costs would be significantly higher. It was noted that equal voting rights were the norm in this type of arrangement.

RESOLVED: That the Authority meets the regulatory requirements to pool Pension fund assets by:

1. Agreeing to be a member of the Border to Coast Pensions Partnership (BCPP) and to adopt its arrangements, by authorising the Clerk and the S151 officer in consultation with the Interim Fund Director to finalise the approval and execution, where required, of all legal documents necessary to give effect to the decision below:
 - i. entering into the Inter-Authority Agreement between the Authority and the administering authorities of the other Pool funds
 - ii. entering into the Shareholders' Agreement between the Authority and the administering authorities of the other Pool funds and Border to Coast Pensions Partnership Limited
 - iii. agreeing the Articles of Association to be adopted by the Border to Coast Pensions Partnership Ltd.
2. Approving the establishment of the Border to Coast Pensions Partnership Joint Committee as a formal Joint Committee under section 102 of the Local Government Act 1972 in accordance with and to carry out the functions as set out in the Inter-Authority Agreement.
3. Approving the subscription by the South Yorkshire Pension Fund of one Class A voting share in the asset management company, Border to Coast Pensions Partnership Limited.
4. Appointing the Chair of the Authority as the shareholder for BCPP Ltd.
5. Approving the subscription by the South Yorkshire Pension Fund for such number of Calls B non-voting shares in the Border to Coats Pensions Partnership Limited as shall be necessary to ensure that the Authority contributes by way of equity one twelfth of the minimum regulatory capital requirements of the Financial Conduct Authority.

6. Appointing the Chair to represent the Authority on behalf of the Fund at the Border to Coast Pensions Partnership Joint Committee meetings.
7. Authorising the Clerk to make the consequential changes required to the Constitution to reflect these new arrangements; and

14 TREASURY MANAGEMENT STRATEGY STATEMENT 2017/2018

A report was submitted to seek Members' approval of the treasury management procedures and strategy followed by the Authority.

Members noted the statutory requirements for the Authority to set out a Strategy Statement for the forthcoming financial year. It was also noted that not all of the legislation which governed councils' treasury functions was applicable to the Authority.

The Authority had delegated management of the policy to the Corporate Planning and Governance Board which received regular updates on implementation and monitoring.

The Affordable Borrowing Limit and Capital Expenditure Policy were attached as appendices to the report.

RESOLVED: That the Authority:

- i) Adopted the Annual Investment Strategy and recommendations set out in Appendix I.
- ii) In accordance with Section 3(1) of the Local Government Act 2003 approved an Affordable Borrowing Limit, on a rolling basis for the forthcoming year and two successive years as outlined in Appendix II, of £250,000 being the maximum amount the Authority can afford to borrow.
- iii) In accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 approved the Minimum Revenue Provision Policy Statement outlined in Appendix III.
- iv) Noted the list of counterparties used in Appendix IV.
- v) Agreed to keep the above under review.

15 LGPS CURRENT ISSUES - FEBRUARY 2017

Members considered a LGPS Current Issues briefing from Mercer.

RESOLVED – That the report be noted.

16 SECTION 73 LOCAL GOVERNMENT ACT 1985 APPOINTMENT OF STATUTORY OFFICER (CHIEF FINANCE OFFICER)

A report was submitted to advise the Authority of the requirement to appoint a statutory officer to be responsible for the proper administration of the financial affairs of the Authority as required by Section 73 of the Local Government Act 1985 to reflect

revised arrangements for the organisation of core functions within Barnsley MBC with effect from 1st April 2017.

RESOLVED – That the Authority approve the appointment of Mr Neil Copley, Service Director for Finance from Barnsley MBC, as its Statutory Finance Officer with effect from 1st April 2017.

17 CHANGE OF AUTHORITY MEMBERSHIP

A report was submitted to inform the Authority of a change of membership.

RESOLVED: That the Authority:

- i) Note that Councillor Iqbal's membership of the Authority had ceased.
- ii) Note the appointment of Councillor Curran to the Authority by Sheffield City Council on 1st February 2017.
- iii) Appoint Councillor Curran to the Investment Board.

18 MEETINGS OF THE AUTHORITY AND BOARDS 2017/18

A report was submitted which detailed the proposed schedule of Authority and Board meetings during 2017/18.

Members were informed that the schedule had been set avoiding meetings of the District Councils; it was acknowledged that the schedule may have to be adjusted if Council meeting dates changed.

RESOLVED – That the Authority approve the schedule of meetings set out in the Appendix to the report.

CHAIR

SOUTH YORKSHIRE PENSIONS AUTHORITY

INVESTMENT BOARD

9 MARCH 2017

PRESENT: Councillor S Ellis (Chair)
Councillors: M Stowe (Vice-Chair), J McHale, A Sangar,
P Wood, R Wraith and B Curran

Officers: S Barrett (Interim Fund Director), M McCarthy
(Deputy Clerk), S Smith (Head of Investments SYPA), F Foster
(Treasurer), F Bourne (Administration Officer SYPA) and
M McCoole (Senior Democratic Services Officer) (BMBC)

Trade Union Members: N Doolan-Hamer (Unison), G Warwick
(GMB) and F Tyas (UCATT)

Investment Advisors: T Gardener, N MacKinnon and L Robb

1 APOLOGIES

No apologies for absence had been received.

2 ANNOUNCEMENTS

Councillor Ellis welcomed Councillor Curran to his first Investment Board meeting, and introductions were made.

3 URGENT ITEMS

None.

4 ITEMS TO BE CONSIDERED IN THE ABSENCE OF THE PUBLIC AND PRESS

Councillor Sangar suggested that agenda Item 19 entitled 'Responsible Investment Engagement' could have been written differently, to enable it to be presented within the public section of the meeting.

Councillor Ellis considered that the report should be taken within the private section of the meeting, but she suggested that the report be written differently in the future, to enable it to be presented within the public section of the meeting to provide greater engagement with the public.

RESOLVED – That agenda Item 19 entitled 'Responsible Investment Engagement' would be considered in the absence of the public and press.

5 DECLARATIONS OF INTEREST

T Gardener commented that he had recently commenced with AON Investment Consultants in a consultancy capacity.

Councillor Ellis commented that the issue had been addressed and it had been determined that it did not pose a conflict at the present time although this position might have to be reviewed at a later date if circumstances changed.

6 MINUTES OF THE MEETING HELD ON 15 DECEMBER 2016

RESOLVED – That the minutes of the meeting of the Investment Board held on 15 December 2016 be agreed and signed by the Chair as a correct record.

7 WORK PROGRAMME

The Board was presented with the Work Programme to 22 June 2017, which provided an update on future proposed reports.

Members were requested to raise any additional agenda items to be incorporated onto the Work Programme moving forwards.

8 UPDATE ON MATTERS THAT HAVE ARISEN SINCE THE LAST MEETING

Members noted that an update on matters had been included within the agenda for today's meeting.

9 ROYAL LONDON PRESENTATION

The Board received a presentation from L Bramwell and J Platt at Royal London Asset Management.

The Board noted the following key points:-

- The Buy and Maintain portfolio of sterling denominated corporate bonds was valued at £330.20m as at 31 January 2017.
- The outcome of the EU Referendum had impacted on market bonds.
- The portfolio was very diversified and robust.
- 53.4% of the portfolio was invested into bonds of which 19.1% had claims on assets.
- 7.8% of the portfolio was invested into social housing, on a longer lending term of 20 to 30 years and was taking security over assets.
- Assets were being made to work hard to generate income within the portfolio.
- Due to a lack of bonds available at the present time, it had been difficult to build the investment trust sector into the portfolio.

Councillor Ellis thanked Royal London Asset Management for an interesting and informative presentation.

RESOLVED – That Members:-

- i) Noted the presentation.

- ii) To be provided with the spread over the premium Government bonds.
- iii) To be provided with metrics from Royal London that give reassurance that the portfolio is achieving what was anticipated in setting up a buy and maintain portfolio.

10 LOCAL AUTHORITY PENSIONS FUND FORUM: JANUARY 2017 BUSINESS MEETING AND AGM

A report of the Interim Fund Director was submitted to inform Members that the minutes of the October 2016 business meeting had been issued and to update on the LAPFF Annual General Meeting.

Members noted that the October 2016 minutes had been approved at the last business meeting of the Forum held on 31 January 2017 along with the LAPFF AGM in London, and the minutes had been sent to Members under separate cover.

The results of the LAPFF Executive nominations and ballot had been announced at the LAPFF AGM. The Chairman, Kieran Quinn (GMP Fund) had been re-elected, Ian Greenwood representing West Yorkshire Pension Fund (re-election) and Denise Le-Guy representing Surrey Pension Fund had both been elected as Vice Chairs, and Jane Firth had been re-elected as an officer representative.

The next LAPFF Business meeting was scheduled for 11 April in London.

RESOLVED – That the report be noted.

11 BRITISH VENTURE CAPITAL ASSOCIATION MEMBERSHIP

A report of the Interim Fund Director was presented to seek Members' approval to renew membership of the British Venture Capital Association on the Limited Partner tariff.

RESOLVED – That the Board agreed that the Authority renewed its membership of the British Venture Capital Association as a limited partner member.

12 ACTUARIAL VALUATION UPDATE

S Barrett informed Members that the Actuarial Valuation had now concluded. A report would be presented to the Authority meeting on 16 March, to link into the background work to support the investment strategy review.

13 INVESTMENT STRATEGY REVIEW

A report of the Interim Fund Director was submitted to present Mercer's investment strategy review post the 2016 triennial Actuarial Valuation. Overall the existing balance as between 'growth' and 'protection' assets will be maintained. The report proposed a shift over time from the current allocation to equities to other growth and 'inflation protection' assets. The aim is to play to the Funds' strengths as a long-term investor whilst meeting the need for both return on investments and inflation protection.

The principal change proposed is in respect of the balance between quoted equities (tradeable on stock exchanges) and other less liquid growth assets. A transitional reduction over the medium term from the Fund's allocation to equities of 10% (i.e. From 60 % to 50%) would be matched by a corresponding increase in other growth seeking and inflation protection assets such as private equity, private debt and real assets.

There were no proposed changes to the overall allocation to Bonds. However within the allocation to Bonds it was proposed to hold the index linked portfolio as liability matching assets, adopting a suitably more passive approach. For other internally managed bonds it was proposed to migrate from fixed interest bonds to 'floating rate' bonds. This would be a move to offer some protection in response to expected rising interest rates. In such a scenario the Fund's fixed interest bond portfolio would fall in value and would be likely to achieve lower income streams than 'floating rate' bonds with a link to increases in interest rates.

Members had previously given consideration at earlier Board meetings, for a strategic review of Fund assets and liabilities following the 2016 triennial Actuarial Valuation. This had now been undertaken by Joanne Holden an investment consultant in consultation with the Fund's officers and advisors.

Councillor Ellis thanked Joanne Holden for an interesting and informative presentation.

RESOLVED – That the Board:-

- i) Approved the recommended Asset Allocation strategy.
- ii) Agreed that further consideration be given to the Board's investment beliefs.

14 FINANCIAL REPORTING COUNCIL: UK STEWARDSHIP CODE

A report of the Interim Fund Director was submitted to seek Members' approval of the Authority's statement of compliance with the Financial Reporting Council's (FRC's) UK Stewardship Code.

Members had agreed at the Board meeting held in December 2016 that a 'Tier 1' compliant statement be prepared, following consultation with the FRC, to support the Authority becoming a signatory to the Code. The Fund's current compliance statement had been reviewed by officers, who had consulted with the FRC in relation to the content required to obtain Tier 1 status.

RESOLVED – That Members adopted the revised statement of compliance with the UK Stewardship Code and that it be submitted to the Financial Reporting Council for inclusion on its website.

15 VOTING GUIDELINES

A report of the Interim Fund Director was presented to seek Members' consent to the retention of the current voting guidelines.

Members noted that the Authority's UK voting guidelines had last been revised in March 2016, and were reviewed annually in conjunction with PIRC, the Authority's corporate governance advisor. There were no further revisions to be made.

RESOLVED – That Members noted the report.

16 EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest not to disclose information outweighs the public interest in disclosing it.

17 RESPONSIBLE INVESTMENT ENGAGEMENT

A report of the Interim Fund Director was submitted to advise Members of the Fund's responsible investment engagement activities.

Councillor Ellis requested that Councillor Curran be provided with additional documentation to assist him in his role of a newly appointed Member to the Authority.

Councillor Ellis congratulated Jane Firth, who had been re-elected as a LAPFF officer representative.

Councillor Ellis hoped that future reports could be written in a manner to enable them to be presented within the public domain.

RESOLVED – That the report be noted.

AT THIS POINT THE MEETING RE-OPENED TO THE PUBLIC AND PRESS

18 INVESTMENT STRATEGY STATEMENT

A report of the Interim Fund Director was submitted to seek Members' approval to the Investment Strategy Statement (ISS). Members noted that the updated version of the Strategy, previously outlined in a Statement of Investment Principles (SIP), was subject to regular review. The pooling of investments had given rise to new regulations which required an ISS.

RESOLVED – That Members:-

- i) Approved the Investment Strategy Statement (ISS) to be kept under review from time to time and at least every three years.

**Councillors Ellis, Wraith, McHale and Sangar approved the ISS.
Councillor Curran did not approve the ISS.**

- ii) Noted that the Benchmark Asset Allocation table be updated.

- iii) Agreed that the Investment Beliefs be removed from the Investment Strategy Statement which is to be made available on the SYPA website.

19 GOVERNMENT CONSULTATION ON LGPS POOLING

Councillor Ellis referred to the last Board meeting where Members had instructed her to speak with the other chairs within the Pool. She would provide an update at the Authority meeting on 16 March, together with an update on the meetings held with the LPB / Trade Unions.

20 QUARTERLY REPORT TO 31 DECEMBER 2016

The Board reviewed the performance of the Fund during the quarter ended 31 December 2016.

The Fund had ended the last quarter with an underweight position to bonds and UK equities and an overweight position to overseas equities, private equity funds, alternative income funds, property and cash. During the last quarter, markets had generally been positive after the US election result, commodities had been buoyant which had led to firmer global economic data and oil prices had been strong. As bond yields had moved higher, Government bonds had given up some of the earlier gains, and the dollar had surged to a fifteen year high.

Performance for the quarter had returned 2.2% against the expected return of 2.5%, with the Fund valuation rising from £7100.3m to £7304.3m. Although the individual portfolios showed mixed performance against their respective benchmark indices the property portfolio was the main contributor to the underperformance of the Fund, and in particular it was due to the devaluation of the agricultural portfolio.

Members noted that the agricultural portfolio would not be transferred directly into the Pool, and would be held outside of the Pool for the immediate future.

Members requested that the full bound copy of the quarterly report circulated separately to Members be dispensed of, and would be replaced with a shortened succinct investment summary to include performance for the quarter.

RESOLVED – That Members:-

- i) Noted the update.
- ii) Receive an update report on the agricultural portfolio.
- iii) Agreed that the full bound copy of the quarterly report was no longer needed. Focus would be on a shortened succinct investment summary report.

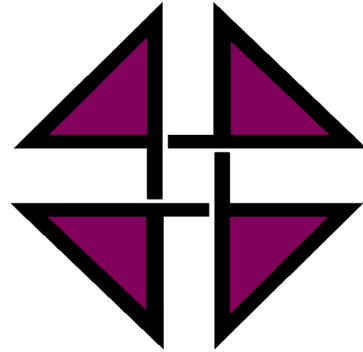
CHAIR

South Yorkshire Pensions Authority – cycle of future meetings

Authority Meetings

Agendas	15 June 2017 AGM	15 June 2017 Ordinary Meeting	5 October 2017	30 November 2017
Strategic Overview of Business		S41 Feedback	S41 Feedback	S41 Feedback
Board Scrutiny		Call-Ins	Call-Ins	Call-Ins
Review of Strategies				
		Government Consultation on LGPS Pooling	Government Consultation on LGPS Pooling	Government Consultation on LGPS Pooling
		Qtr 4 Performance Snapshot Report	Qtr 1 Performance Snapshot Report	Qtr 2 Performance Snapshot Report
				Annual Review of Risk Management Policy
Business	Appointment of Chair	Loyal Service Awards	Member Development Annual Update	Budgets and Revised Estimates
	Appointment of Vice-Chair	Members Self-Assessment Report	CP&GB Audit Committee Functions Annual Report	FoIA Annual Report Publication Scheme
		Trades Union Representation on Boards		
	Membership of the Authority		SYPF Annual Fund Meeting	

	15 June 2017 AGM	15 June 2017 Ordinary Meeting	5 October 2017	30 November 2017
	Appointment of Boards, Committee and Chairs			
	Questions in meetings of District Councils			
Training & Development		Member Learning and Development Strategy		



**SOUTH YORKSHIRE
PENSIONS AUTHORITY**

Business Planning and
Performance Framework 2016/17
for the Pensions Service
and Pensions Authority

**Performance Snapshot Report
2016/17: Q4**

ISSUED: June 2017

The strategic framework in outline

Pensions Service Strategic Objectives	Area of Impact
1: The Best	1.1: Engaging with all our partners, including employers, to ensure that we understand and meet their agreed needs 1.2: Providing an accurate and timely service to all customers 1.3: Gaining and retaining external recognition through quality standards awards such as Charter Mark and Customer Service Excellence 1.4: Ensuring that we continue to provide Value for Money
2: Investment returns	2.1: Monitoring performance against the adopted benchmark and targets
3: Responsible Investment	3.1: Developing and implementing a responsible investment policy that is compatible with the fiduciary duties of the Fund 3.2: Adopting a voting strategy and guidelines specific to the Fund's requirements and ensuring that it is regularly reviewed in accordance with industry best practice
4: Valuing our Employees	4.1: Maintaining a competent, valued and motivated workforce. 4.2: Encouraging personal development to improve knowledge, skills and effectiveness.
5: Pensions Planning	5.1: Providing information through written material to all customers 5.2: Developing interactive website facilities 5.3: Encouraging attendance at annual events to provide forums for discussion 5.4: Maintaining an "on-site" presence to address personal concerns
6: Effective and Transparent Corporate Governance	6.1: Clarifying functions and roles towards delivering a common purpose 6.2: Promoting good governance through upholding high standards of conduct and behaviour 6.3: Developing the capacity and capability of members and officers to be effective 6.4: Ensuring robust accountability

Snapshot performance results for each Strategic Objective and Area of Impact appear on the following pages

Pensions Service Strategic Objectives

1. The Best

Area under Review	Activity During Quarter	Target	Status/Comment
Transactions with Members	12,752 cases of which 78% were on target	97%	Performance has not improved due to the number of backlog cases in the system. The reorganisation of the team has now taken place with the intention of continuous improvement over the next 12 months. However there is still a of work to be done so the improvement will be incremental

2. Investment Returns

Area under Review		Target	Status/Comment
Fund Value	£7614.4m	N/A	£7304.3m at end December.
Performance Against Benchmarks	Qtr 4.6% YTD 22.5	Qtr 4.5% YTD 22.8%	Positive global economic data provided momentum for global equity markets with emerging markets being particularly strong. With strengthening growth, rising inflation and with the Fed tightening marginally bond markets were mixed with high yield bonds outperforming government bonds. Crude oil prices fell as inventories and production in the US increased at a faster rate than expected.

3. Responsible Investment

Area under Review	Activity During Quarter	Target	Status/Comment
Responsible Investment	<p>Issued a statement of compliance with the UK Stewardship Code which was submitted to the Financial Reporting Council.</p> <p>Investment Strategy Review was completed and a new asset allocation benchmark was agreed</p> <p>Investment Strategy Statement was issued which replaces the Statement of Investment Principles.</p>		
Shareholder Engagement	Voting guidelines were reviewed and no changes were necessary. Re-issued existing policy.		

4. Valuing Our Employees

Area under Review	Activity During Quarter	Target	Status/Comment
Staff Turnover	4 Leaver 2 New Starters	Annual 4.25%	On target
Staff Training	<p>Effective Presentations</p> <p>First Aid</p> <p>UPM Training</p>	Plan 100% up to date	Mostly internal training this quarter.
Sickness Monitoring	4.2% total	None	An increase in longer term certified absence

5. Pensions Planning

Area under Review	Activity During Quarter	Target	Status/Comment
Interactive Facilities	33 new employers registered for EPIC this period MyPension	N/A	421 employers now registered for Epic. Just 7 members not covered by an EPIC registered employer 6160 members registered to date. Registration is on the increase with 1334 new logins this quarter.
Face to Face Communication	728 Advisory Sessions Held	Less than 0.5% complaints	No complaints received.
Employer Activity	17 New Employers (11 Academies 6 Contractors) 0 Terminations	N/A	There are currently 521 participating employers of which 439 have active members and there are a further 35 in the pipeline.

Pensions Authority Strategic Objectives

6. Effective & Transparent Corporate Governance

Area under Review	Activity During Quarter	Target	Status/Comment
Internal Audit	February - Internal Audit Progress Report considered by CP&GB.	100%	On target
Annual and Quarterly Reports	February - Internal Audit Annual Plan considered by CP&GB		
External Audit Reports /Plans	February – External Audit Annual Audit Plan	100%	On target

Area under Review	Activity During Quarter	Target	Status/Comment
	considered by CP&GB.		
Risk Management Annual and Quarterly Reports		100%	On target
Constitution Policy /Procedure Revision Dates		100% Up to date	
Financial Reporting	February - Budget Monitoring report considered by CP&GB	100% achievement of reporting schedule	On target.
Annual Governance Statement Conclusion	No update reported	No Significant Weaknesses	Accuracy of pay and contributions identified previously. Action continuing.
Annual Self-Assessment			No significant issues
Member Training	January – 6 members attended Asset & Liability Information session.	100% Induction & Fundamentals Training & Fundamentals Refresher	66.5% had induction. 83% had Fundamentals Day 1. 83% had Fundamentals Day 2. 91.5% had Fundamentals Day 3. 42% had Fundamentals Refresher Training

SOUTH YORKSHIRE PENSIONS AUTHORITY

15 June 2017

Report of the Clerk

COMPLIANCE WITH THE PRINCIPLES FOR INVESTMENT GOVERNANCE: SELF ASSESSMENT

1) Purpose of the report

To inform Members of the outcome of the self-assessment against the Principles for Investment Governance

2) Recommendations

- a) **That the Authority notes the contents of the report.**
 - b) **That the Authority agree to any development needs arising from the results.**
-

3) Background Information

3.1 Members adopted a system of self-assessment in October 2011 and agreed to use a template to gauge compliance.

3.2 Members received individual copies in January 2017 and were asked to retain them until the end of the financial year (March 2017) and return them, duly completed, to the Clerk.

3.3 Eleven forms were issued and ten were returned; this was an improvement on the previous year.

3.4 The self-assessment was divided into three separate forms and not all members were required to complete all three. The assessments were: assessment of Authority Members (Form 1); assessment of the Board Chair by Members of the Investment Board (Form 2, Part A); assessment of the Independent Investment Advisors by the Members of the Investment Board (Form 2, Part B); assessment of the Board Chair by the Members of the Corporate Planning and Governance Board (Form 3)

3.5 The scoring mechanism used is a range of 1-5 as follows:

1 Poor; 2 Satisfactory; 3 Good; 4 Very Good and 5 Excellent.

4) Results

4.1 In relation to the assessment of the Authority Members, scores ranged from Satisfactory to Excellent. In the main, scores were either Very Good or Excellent and therefore no areas of concern were raised and no development needs identified.

- 4.2 In relation to the assessment of the Board Chair by the Members of the Investment Board, scores ranged from Very Good to Excellent with the majority falling into the Excellent category.
- 4.3 In relation to the assessment of the Independent Investment Advisors by the Members of the Investment Board, scores again ranged from Good to Excellent with the majority falling into the Very Good category.
- 4.4 In relation to the assessment of the Board Chair by the Members of the Corporate Planning and Governance Board, scores again ranged from Satisfactory to Excellent, although it is fair to say that most criteria achieved a score of Very Good.

5. Development Needs

There appears to be no immediate development needs arising from the self-assessment.

6. Future Arrangements

Members will recall that the government consultation on the “Local Government Pension Scheme: Revoking and Replacing the Local Government Pension Scheme (Management and Investment of Funds) 2009” removed the need for self-assessment against the Principles for Investment Governance stating that “authorities should still have regard to the guidance”. The Authority will no doubt wish to maintain a process whereby they periodically self-assess against a check list to ensure they are maintaining high standards in the execution of their statutory responsibilities.

7. Implications

There are no direct financial, legal or diversity implications with this report.

There may be some reputational risk implications in relation to the quality of internal governance if results are not reported and acted on appropriately.

D Terris
Clerk

Officer responsible:
G Richards
Democratic Services Officer
01226 772806

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

SOUTH YORKSHIRE PENSIONS AUTHORITY

15 June 2017

Report of the Clerk

TRADES UNION REPRESENTATION ON BOARDS

1. Purpose of the Report

To inform the Authority of the current position regarding Trades Union seats on the Corporate Planning and Governance Board and the Investment Board.

2. Recommendations

Members are asked to approve the continued appointment of the Trades Union representatives on the Authority's Boards for a term of three years.

3. Background Information

3.1 In 2006, two seats on each Board were allocated to Trades Union representatives. This was later increased to three.

3.2 The current position is as follows:

Corporate Planning & Governance Board – Garry Warwick (GMB), Nicola Doolan-Hamer (Unison) and Frank Tyas (Unite – formerly UCATT).

Investment Board – Garry Warwick (GMB), Nicola-Doolan-Hamer (Unison) and Frank Tyas (Unite – formerly UCATT). These appointments are due for renewal.

3.3 The Trades Unions have requested that the Authority approve the following appointments for a term of three years:

GMB – Garry Warwick to the Corporate Planning & Governance Board and Investment Board.

Unison – Nicola Doolan-Hamer to the Corporate Planning & Governance Board and Investment Board.

Unite – Frank Tyas to the Corporate Planning & Governance Board and Doug Patterson to the Investment Board.

4. Implications and risks

4.1 There are no financial, legal or diversity risks arising from this report.

**D Terris
Clerk**

Officer responsible: Gill Richards, Democratic Services Officer
BMBC Joint Authorities Governance Unit
01226 772806. g Richards@syjs.gov.uk

Background papers used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley.

Other sources and references: None

SOUTH YORKSHIRE PENSIONS AUTHORITY

ORDINARY MEETING

15 June 2017

MEMBER LEARNING AND DEVELOPMENT STRATEGY

1 Purpose of the Report

To provide Members with a forward look at learning and development arrangements in 2017/18.

2 Recommendations

Members are recommended to:

- a) **Nominate and appoint a Lead Member for Learning and Development.**
 - b) **Commit to a round of personal development reviews to be arranged with individual Members.**
 - c) **Agree an annual training plan which can be developed further over the year as required.**
-

CONTENTS

Main Report

Appendix A - Member Learning and Development Strategy

Appendix B - 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 those 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 together with the principles, examples and benchmarks to use to assess whether Pensions Authority 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.
- 3.6 The commitment made by Members to participate in learning and development to further develop their understanding of the Pensions Authority is appreciated, given their already busy primary role within their respective Districts.

4 Aims of a Member Development Programme

4.1 Learning and development is a continuous process:-

- Induction training.

New Members of the Authority are required to complete 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.

- LGPS Trustee Training Fundamentals

All new Members are expected to complete the 3 day training, together with any existing Members who have not yet completed the 3 day course.

- Investment Principles

All Members are required to undergo further 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 investment and hedge funds. This training can be achieved through the attendance of individual Members on courses or seminars or the provision of in-house seminars.

- General Update

To continue to keep 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, which can be covered by briefings, bulletins, Authority reports, circulation of journals and digests etc.

4.2 Training Needs

The training needs of individual Members will vary according to their previous experience and the length of time that they have been a Member of the Authority. Members are therefore asked to complete a personalised Training Needs Analysis Questionnaire, to enable flexibility within the learning and development programme. 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 is required for the most recently appointed Members within 4 weeks of the Authority's AGM, together with the completion of the individual training needs analysis questionnaires for all Members, so that where necessary, specialised training can be arranged.
- 5.3 Following 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 conferences, the provision of in-house seminars, and the circulation of briefing and information material.
- 5.4 All new Members are expected to complete the 3 day LGPS Trustee Training Fundamentals, as a minimum requirement of the Member Learning and Development programme within the first year of appointment onto the Authority, together with any existing Members who have not yet completed the programme. The 2017 programme will be made available shortly.
- 5.5 Generic training to be arranged across the South Yorkshire Joint Authorities to include Risk Management, Audit Committees and Treasury Management.
- 5.6 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.

5.7 There is 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.

6 Implications and risks

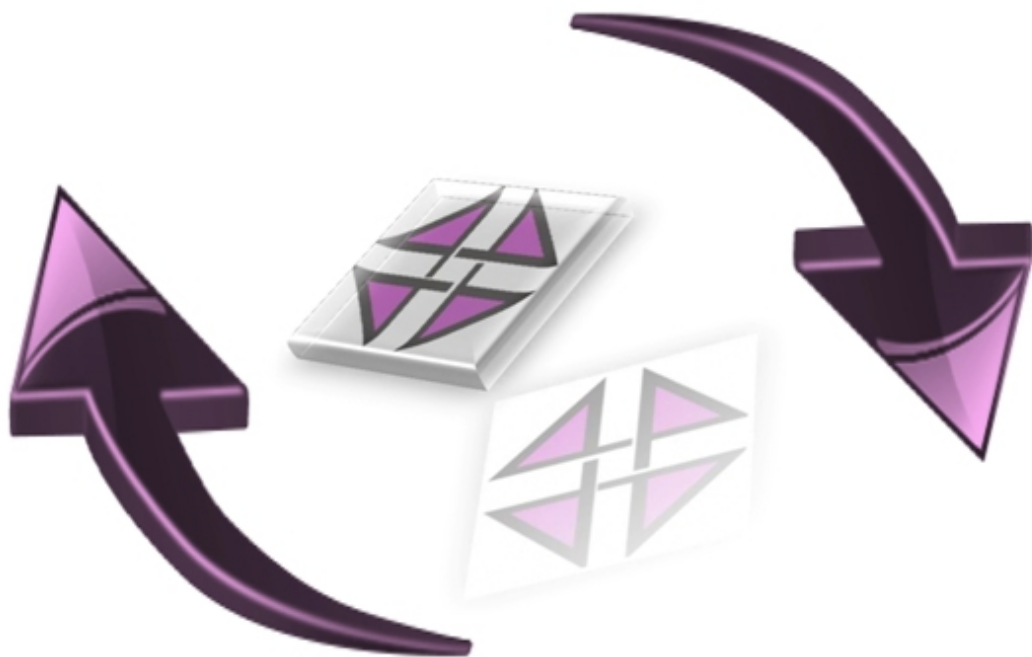
6.1 Financial, Legal, Asset Management, Environmental and Sustainability, Equality and Inclusion, Communications and Health and Safety implications have been considered in compiling this report.

Officer Responsible

Mel McCoolle
Senior Democratic Services Officer
01226 772804
mmccoolle@syjs.gov.uk

Background papers used in the preparation of this report are available for inspection at the offices of the Authority in Barnsley.

South Yorkshire Pensions Authority



Member Learning and Development Strategy

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Foreword

As Pensions Authority Members, our overriding responsibility is to act in the best interests of the present and future beneficiaries of the South Yorkshire Pension Scheme.

Members need to ensure the fund is managed in the most effective and efficient way so as to minimise the call on the public purse.

Members are not expected to be professional experts in investment matters. However, although we can delegate investment decisions and rely on investment advice, Members still define the framework and objectives. For that reason we need to ensure that we are familiar enough with the issues concerned and understand what is being proposed by the advisers and officers, in order to discharge our duties with due care, skill and prudence.

In order to perform our role successfully we need to build on the skills we already have as elected Members, and the learning and development we receive from our own District Councils. We then need to enhance those skills by expanding our knowledge and understanding about the role of the Authority, keep up to date with industry developments and best practice, and listen to and act on professional advice so that we are able to carry out our governance role effectively. We believe there is much for us to learn.

This Strategy provides a framework for identifying the learning and development that Pension Authority Members need to carry out their role. It is flexible 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.

1. Introduction

South Yorkshire Pensions Authority is committed to continuous improvement, innovation and value-for-money in the services it provides. Elected Members of the Pensions Authority receive independent support, advice and guidance to equip them with the necessary skills and knowledge to enable them to fulfil their role.

The purpose of the 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.

2. Reviewing the Strategy

The Strategy reflects the new 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.

Significant changes to the Local Government Pension Scheme (LGPS) have taken effect from April 2014, and Members will need to be equipped with the necessary skills and knowledge to understand the new scheme.

3. Corporate Strategy

The Member Learning and Development Strategy will be central to achieving the vision, values and strategic objectives. The full Corporate Strategy can be found on the following website [here](#): (ctrl and click to follow this link) or at:

www.southyorks.gov.uk

[Go to the Pensions Authority pages, Library](#)

4. 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 given below. These will be delivered through a range of activities including improvements to the Member Induction process, courses, workshops, briefings, bulletins, mentoring etc.

- To establish an environment where Member learning and development is seen as an integral part of the governance role of Pensions Authority Members.
- To equip Members with the knowledge and skills necessary to deliver a high quality service that meets the six strategic objectives.
- To ensure all Members are provided with a level of learning and development appropriate to their roles and responsibilities on the Pensions Authority.
- 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.
- To improve the Authority following best practice for Member Learning and Development, and contribute to the vision to be an Authority which effectively demonstrates a commitment to excellence in everything it does.

5. Learning and Development

New Members

All new Members will be given a structured – and mandatory – **Induction programme** to support them in developing their role and become an effective Member of the Pensions Authority

Both New and Existing Members

An annual development discussion will be provided for all Members on a one-to-one basis to identify requirements or to ‘refresh’ existing knowledge. Outcomes and benefits will be identified during this discussion and personal learning and development records will be kept for all Members detailing courses, conferences and learning undertaken.

Development discussions will take place as soon after the annual meeting as possible to ensure any new Members are included in the process. Any knowledge, support or skills identified by existing Members in their previous ‘one-to-one’ will be re-prioritised to take account of the existing budget. Additional requirements will also inform the forecast for the following year.

The Development discussions will include an annual self-assessment against the Principles of Investment Governance (see Addendum). Each Fund's Statement of Investment Principles should detail how they are following these Principles.

The outcome of the annual Development Discussions will be a Learning and Development Schedule for the municipal year. This will fall into two categories – **Authority needs** (where more than one Member has identified the same requirement or where legislation or new initiatives necessitate a workshop session) and **Individual needs**, e.g. role specific, personal or 'one-off' requirements.

Fundamentals is externally provided, bespoke LGPS training held over three days (not necessarily consecutive) for Pensions Authority Members.

To ensure the allocated budget is used wisely **criteria for categorising learning and development** will be applied as follows:

- Does the learning support our Strategic Objectives?
- Does it represent value for money in terms of the benefits and outcomes?
- Will the learning increase the capacity of Members to carry out specific roles e.g. chairing skills or leadership programmes?
- Can the learning and development be delivered internally e.g. one to one sessions, bulletins, fact sheets?

6. Delivery

Members' commitments and personal circumstances will be taken into account to provide equality of opportunity where possible.

A range of approaches will be deployed to deliver learning and development and these are listed below. Any external requirements will be commissioned by the Joint Authorities Governance Unit.

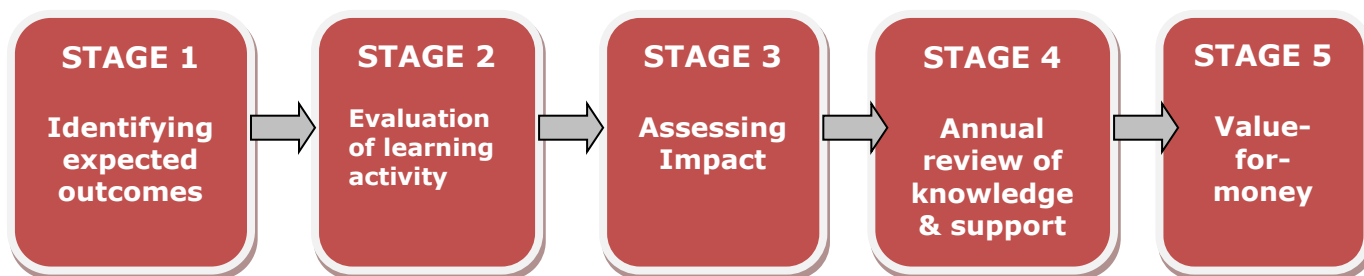
- Traditional – courses delivered by internal / external trainers.
- Workshops (usually held at the end of Pensions Authority meetings).
- Member bulletins, briefings and the Pensions Authority website.
- On-line Library.
- External conferences – through the normal process of selection.
- Informal mentoring / 'coaching' via an established Member of the Pensions Authority.

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

7. Monitoring and Evaluation

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:

- Elected Members.
- Pensions Authority in meeting its priorities.
- Pensions Authority 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.

8. Resourcing the Strategy

We realise that funding is extremely limited, as is Members' time. The Learning and Development Strategy is not about spending additional money; it's about improving the effectiveness of what we do. Any additional costs over and above that budgeted for will need to be justified. Our aim is

to find ways of informing Members and providing them with the necessary learning and development for minimal cost without compromising quality.

We will, therefore, ensure that all learning and development provided is targeted and carefully managed to maximise the benefits to both the Members and to the Authority.

9. **Role of the Lead Member**

The Lead Member role is a concept that was introduced as part of the revised Learning and Development Strategy. A Lead Member role description has been developed and for completeness this is given below:

Lead Members should:

- Take the lead on behalf of the Authority for a particular subject area recognising that, on occasion, they should have the freedom to act in a scrutiny or questioning capacity.
- Be the initial point of contact for the Service or others wishing to discuss issues informally or sound out views.
- Be the spokesperson at Authority meetings in respect of their particular area.
- Contribute to policy development locally and nationally as appropriate.
- Attend national or local meetings, seminars etc. in their area.
- Promote or represent the views and/or policies of the Authority in the public domain even if these are not their own views.
- Keep abreast of key developments and issues in their area.
- Receive briefings / information on their area as required from officers of the Service and/or South Yorkshire Joint Authorities.

Lead Members do not:-

- Have the power to commit the Authority to a course of action, or make a decision on its behalf.
- Have total accountability for their assigned area.

10. **Further information**

Further information on the Member Learning & Development Strategy can be obtained from:

Mel McCoolle, Senior Democratic Services Officer
Tel: 01226 772804: E-mail: mmccoolle@syjs.gov.uk

Or on the Pensions Authority website via: www.southyorks.gov.uk

Addendum

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.



MEMBER LEARNING AND DEVELOPMENT

QUESTIONNAIRE

1. Introduction

This questionnaire is designed to help you to identify the knowledge, support and skills you may need to fulfil your role as a Pensions Authority Member.

The role of a Pensions Authority Member differs from other roles you may carry out as a local councillor. Members act as Trustees with an overriding responsibility to act in the best interests of the beneficiaries, even if this is sometimes at odds with their political roles and responsibilities.

Furthermore, pension fund management is complex and, whilst Members are not expected to be professional experts in investment matters, a certain amount of technical knowledge and understanding is required to enable you to make informed judgements and decisions.

2. Completing the Questionnaire

There are several ways you can complete this questionnaire:

- ✦ Filling in a printed copy and sending it back to the Joint Authorities Governance Unit, BMBC (*details below*).
- ✦ By email – we will send you a copy of the form to fill in and return by email – see contact details below.
- ✦ Face-to-face with an officer from the Joint Authorities Governance Unit, BMBC at a date / time / location to suit you.
- ✦ Via telephone.

The process should take no longer than 30-45 minutes.

Please try and be as honest as you can in your assessment / discussion. Even if you are an experienced Member of the Pensions Authority, you may still find there are some areas you may wish to learn more about, or would benefit from additional development or support.

3. What happens next?

All completed Development Discussion questionnaires will be read and analysed to produce a comprehensive Learning and Development Schedule for the municipal year. This will consist of joint and individual learning and development either specific to the Pensions Authority, or more generic learning with other Joint Authorities or South Yorkshire Districts.

Members can also request learning and development at any time throughout the year – which will be assessed against the criteria in the Learning and Development Strategy to ensure fairness and value-for-money.

Additionally, there will be the externally-provided Fundamentals Training, which is the bespoke Local Government Pension Scheme (LGPS) training held over three days (not necessarily consecutive) and aimed specifically at Pensions Authority Members.

N.B. 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.

For Members who would like a refresh of the Fundamentals training, a one day overview of the three days is included in the draft learning and development strategy – date to be confirmed.

4. The Questionnaire

PERSONAL PROFILE	
Name	
District Authority	
How long have you been a Member of the Pensions Authority?	
What are your other (main) elected Member responsibilities / roles?	
Other relevant experience, e.g. professional, business, community	
What IT facilities and skills do you have?, e.g. e-mail, diary management, internet, Twitter, social media etc.	

KNOWLEDGE AND UNDERSTANDING		
<p>Please indicate – as honestly as you can – the level you think you are at using the scale below as a guide. Where appropriate, please use the ‘Comments’ column to indicate specific areas of knowledge where you would like additional knowledge, development or support.</p>		
Level		
1 - Unfamiliar / New to you		
2 - Some knowledge but partial / limited		
3 - Reasonably good level of knowledge and understanding		
4 - Confident with an in-depth knowledge and understanding		
Knowledge & Understanding	Level	Comments
The legal framework and design of the Local Government Pension Scheme (LGPS)		
The role and responsibilities of the Authority or as ‘quasi trustee’		
The role and responsibilities of the Pensions Authority Members		
Corporate governance and the Myners Principles for Pension Fund Trustees		
The roles and responsibilities of the Clerk and the Treasurer, Head of Pensions Administration and the Fund Director		

Role of the South Yorkshire Joint Authorities (SYJA)		
Role of Actuary		
The whole range of SY Pensions Authority stakeholders (e.g. individual scheme members, local authority employers, other employers / admitted bodies and trade unions), and their different perspectives / needs		
Role of the Financial Conduct Authority (FCA)		
Asset classes and asset allocation		
Valuations and valuation monitoring		
Investment principles and management strategies		
Risk Analysis		
Setting performance benchmarks		
Funding strategies and monitoring		

SKILLS

Many of these skills apply to being an effective Member generally. Although being able to analyse information, think longer-term and make objective decisions are particularly important to your role as a Pensions Authority Member, communicating and influencing are also important to build and maintain the right links with your own Authority and the other employers.

Again, use the levels suggested below, and make use of the 'Comments' column to tell us about any specific issues.

Level

- 1 - Not very confident and / or inexperienced.
- 2 - Reasonably confident and / or experienced.
- 3 - Very confident and / or experienced.

Skill	Level	Comments
Understanding and handling numerical and financial information		
Digesting written and oral information and grasping key issues		
Using and monitoring performance management information (e.g. benchmarks)		
Thinking about the 'bigger picture' (nationally and locally) and the longer-term (10 years) issues for the Pensions Authority		
Being clear about the top level Authority objectives and its priorities		

Making sure you receive independent and informed advice and guidance that is understandable		
Being decisive, based on an objective assessment of all the issues and risks		
Being able to ask pertinent questions and to challenge officers and advisers constructively (overview and scrutiny)		
The ability to take the initiative to communicate with Members, officers, employers, unions etc.		
Keeping yourself up-to-date with issues pertinent to the Pensions Authority		

5. Your preferences

Everyone has preferred ways of learning and developing new skills. If you could indicate your preferences below this will help us to provide the right support tailored to your needs (where practicable). **Please tick all that apply.**

Reading – briefing papers, reports and periodicals	
Electronically through e-mail and website access	
One-to-one briefings and discussions	
Talks and verbal presentations	
Workshops and Seminars	
Conferences	

THANK YOU FOR COMPLETING THIS QUESTIONNAIRE

Please return the completed form to:

Mel McCoolle
Senior Democratic Services Officer
South Yorkshire Joint Authorities
Governance Unit
BMBC
18 Regent Street
Barnsley
S70 2HG
Email: mmccoolle@syjs.gov.uk
Tel: 01226 772804