

Policy Statement on Representation

This Policy Statement sets out the Authority's position on the representation of the different employer and scheme member interests within its governance arrangements.

Definition of Interest Groups

In broad terms, the interest groups who might wish to have some input to or influence within the Authority's governance arrangements can be defined as:

Scheme Members – While scheme members can be further broken down between active, deferred and pensioner members, they broadly share the same interests in terms of the quality of the service delivered to them and the ability of the Pension Fund to meet its obligations to them.

Scheme Employers – Again there are a number of different types of employers (e.g., Councils and Academies) but in general terms they share an interest in the maintenance of stable and affordable contributions.

Representation on the Pensions Authority

The voting membership of the Pensions Authority is set out in the Local Government Reorganisation (Pensions etc.) (South Yorkshire) Order 1987, under which the Authority was created. This specifies the total voting membership of the Authority as 12: made up of the following number of members appointed by each of the District Councils in the following ratio. The appointments made by the District Councils must, in line with the provisions of the Local Government Acts, in aggregate reflect the political balance both within the individual councils and across the County.

District	Number
Barnsley Metropolitan Borough Council	2
City of Doncaster Council	3
Rotherham Metropolitan Borough Council	2
Sheffield City Council	5
Total	12

Appointments of Councillors to any Committees established by the Authority must also reflect the relevant political balance and the Authority has chosen to also apply this provision to any ad-hoc working groups.

The Authority has recognised that there are interests beyond those of the four constituent councils that it is important are heard within its debates, in particular those of scheme members, whose interests may differ from those of employers. To this end it has invited the regional secretaries of the three recognised Trades Unions within the National Joint Council

for Local Government Services to each appoint a Non-Voting Member to be co-opted to the Authority. While it is accepted that:

- a. Not all active and deferred scheme members are members of a Trade Union, and
- b. In general pensioners will not be members of a Trade Union

It is felt that this approach to the representation of the Scheme Member voice within the Authority's debates provides representatives who have access to a network of support and training within the Trade Union in particular related to the investment issues that form a prominent part of the Authority's agenda.

The Authority is not able under the terms of the legislation which created it to grant voting rights to any co-opted members.

While the Authority accepts that employers other than the four councils may have differing views which should be heard in the decision-making process it has determined that in relation to the Authority no additional employer voices should be co-opted on to the Authority, because:

- a. Given the weight of the Authority's agenda towards investment matters the interests of all employers in relation to the achievement of consistently strong returns so as to achieve stable and affordable contributions are likely to be aligned.
- b. Given the large number and diversity of employers within the Fund it would not be possible to achieve effective representation of each interest group (e.g., academies) without the total membership of the Authority becoming too large and unwieldy.
- c. Where major policy decisions are required such as changes to the Funding Strategy Statement the Authority is required by the LGPS regulations to consult employers and therefore all employers are able to express their views when such major decisions are being made.

While the Authority cannot determine who is appointed to it, it does seek to encourage the appointing bodies to ensure diversity in their appointments in the same way as it seeks to ensure diversity on the boards of companies in which it invests.

Representation on the Local Pension Board

The Local Pension Board fulfils a fundamentally different role to the Authority acting both as scrutiny body and a form of regulator responsible for assessing the effectiveness of the Authority in its role as Administering Authority. The Board has a particular focus on the quality of service delivery and on compliance with various forms of standards.

The Public Sector Pensions Act 2013 and subsequent LGPS regulations require that a Local Pension Board be comprised of equal numbers of scheme member and employer representatives, with the possible addition of an independent Chair.

The South Yorkshire Local Pension Board has determined not to have an independent Chair and has determined that a total membership of 10 (5 scheme members and 5 employers) provides both a manageable body to fulfil its role and sufficient scale of membership to accommodate differing interests within each category of members. The LPB does have an Independent Adviser to provide expertise and knowledge to its members.

All members of the Local Pension Board have full voting rights.

Given the particular focus of the Board's work, the Authority has determined that it is appropriate that as diverse a range of types of employer and scheme member are represented as possible. However, it is equally true that members of the Board are volunteers and it is

therefore difficult to ensure that the membership of the Board is absolutely representative either of employers or scheme members.

Two employer members and three scheme member representatives are appointed in a different way to the remaining members:

- Two employer representatives are elected councillors appointed by the District Councils on a rotational basis between the Councils.
- Three scheme member representatives are appointed by the regional secretaries of the three recognised Trades Unions within the National Joint Council for Local Government Services.

The Authority encourages those making these appointments to consider the same criteria for appointment as those outlined for other members below.

The remaining members (3 employers and 2 scheme members) are appointed following an application process. The criteria for appointment are:

- Possession of relevant knowledge and understanding in line with the relevant regulations or the capacity to acquire it.
- Contribution to the overall diversity of the membership of the Board whether in terms of gender or ethnicity or the particular type of employer or scheme member from which they are drawn.

Review

This policy statement will be reviewed at a three yearly interval with the next review due in 2026.

Initial Approval: September 2023

To be reviewed every three years.