

Pension Fund Committee

Meeting to be held on Friday, 11 March 2022

Electoral Division affected: (All Divisions);
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Lancashire County Pension Fund - Training Plan 2022/23

(Appendix 'A' refers)

Contact for further information: Mukhtar Master, Governance & Risk Officer,
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Executive Summary

The Pension Regulator stipulates in regulations that the members of the Pension Fund Committee and the Local Pension Board members, must have the required knowledge and skills to govern the Fund.

The LCPF Training Plan 2022/23, at Appendix A, sets out the various training options which are available during the year to meet the required training needs of both Committee and Board Members.

Recommendation

The Committee is asked to approve the Training Plan for 2022/23 as set out at Appendix 'A'.

Background and Advice

Pension Fund Committee and Local Pension Board Members face different requirements for gaining and maintaining knowledge and understanding. This reflects that their remit and responsibilities originate from different pieces of legislation. Knowledge requirements falling on Board members are defined statutorily under section 248a of the Public Service Pensions Act 2013 and are personal to each individual. Learning requirements for Committees have been less stringently defined in legislation and fall collegiately on Committees as collective bodies rather than on their members as individuals.

Though their learning obligations under legislation are different, Committee and Board members share significant common ground in terms of the sphere of knowledge and understanding they need to be conversant with. Across the range of Technical Knowledge and Skills Frameworks it has published to date, CIPFA has identified a syllabus of 8 core areas of knowledge under the CIPFA Knowledge and Skills Framework (2021) for LGPS Committee Members and LGPS Officers:

1. Pensions Legislation and Guidance;
2. Pensions Governance;

3. Fund Strategy and Actuarial Methods;
4. Pensions Administration and Communications;
5. Pensions Financial Strategy, Management Accounting, Report and Audit Standards;
6. Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management;
7. Financial markets and product;
8. Pension Services Procurement, Contract Management and Relationship Management;

There is a separate technical knowledge and skills framework which is CIPFA Local Pension Boards (2015) with the following 8 core areas:

1. Pensions Legislation
2. Pensions Governance
3. Pensions Administration
4. Pensions Accounting and Auditing Standards
5. Pension Services Procurement and Relationship Management
6. Investment Performance and Risk Management
7. Financial Markets and Product Knowledge
8. Actuarial Methods. Standards and Practices

There is significant crossover in the knowledge requirements from each of the frameworks which was amalgamated into one training needs analysis questionnaire detailed below.

Training Needs Analysis

The training needs of Committee and Board members are assessed yearly through the completion of individual training needs assessments.

This year the training needs analysis form was sent to all Committee and Board members for completion and responses were received from 9 Committee members and 8 Board members.

The survey consisted of self-assessment questions which sought to determine individual knowledge around eight core areas:

1. Pensions Legislation and Guidance
2. Pensions Governance
3. Funding Strategy and Actuarial Valuation
4. Pensions Administration and Communications
5. Pensions Financial Strategy, Management Accounting and Report and Audit Standards
6. Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management
7. Financial Services and Products

8. Pension Services Procurement, Contract Management and Relationship Management

The results of the survey found that the following three core areas were clearly identified as requiring additional training:

- Pensions Administration and Communications
- Financial Services and Products
- Pension Services Procurement, Contract Management and Relationship Management

Additional training will be provided in-house via workshops to cover Pensions Administration and Communications. In addition in-house training will also cover some specific issues identified within the five other core areas. Separately, the pensions team is looking into appropriate training options for Financial Services and Products and Pension Services Procurement, Contract Management and Relationship Management.

Local Pension Board Training Requirements

The Chair of the Local Pension Board reviews training requirements each year with Board members as part of the Annual Review process. The training needs identified by the Board are:

- General refresh on the legal framework and requirements both for Board members and the Fund;
- The new PACE administration system;
- New service level contracts with LPPA and LPPI;
- Valuation;
- Longer term effects of Covid.

Hymans Online Learning Academy

The Fund recognises that the breadth of knowledge and understanding needed by Committee and Board members is extensive and has evolved in recent years. Hence, it is vital that all the tools at our disposal are utilised to support good learning outcomes.

Hymans has developed a bespoke online training tool to support LGPS funds to meet Committee and Board training needs. The Fund are currently evaluating the system with a view to potentially make it available to Committee and Board members in 2022/23.

LCPF Training Plan 2022/23

The new training plan for 2022/23 can be seen at Appendix A, which sets out various training for the year which meet the needs highlighted above:

- Workshops which are held regularly;
- Quarterly briefings prior to Pension Fund Committee meetings;
- External training courses and conferences;
- Online Training:
 - TPR Public Service Toolkit;
 - Hymans Online Learning Academy (Tentative).

The Pension Fund Committee is asked to approve the planned training available during 2022/23.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Without the required knowledge and skills, those charged with governance and decision-making may be ill-equipped to make informed decisions regarding the direction and operation of the Pension Fund.

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Tel
CIPFA - Code of Practice LGPS Knowledge and Skills 2021 edition	2021	Mukhtar Master 01772 532018
CIPFA – Technical Knowledge & Skills Framework for Local Pension Boards	2015	Mukhtar Master 01772 532018
CIPFA - Knowledge and Skills Framework – LGPS Committee Members and LGPS Officers	2021	Mukhtar Master 01772 532018
The Pensions Regulator - Code of Practice No 14 (Governance and Administration of public service pension schemes)	2015	Mukhtar Master 01772 532018