

Pension Fund Committee

Meeting to be held on Friday, 10 March 2023

Electoral Division affected:
N/A;

Training Plan 2023/24

(Appendix 'A' and 'B' refers)

Contact for further information:

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Brief Summary

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

Various training options are made 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 2023/24 as set out at Appendix 'A'.

Detail

A training plan has been developed for 2023/24 based on regulations and best practice, training needs questionnaires feedback and suggestions from the Chair of the Local Pension Board following his annual review of the Boards performance. In addition, consideration has been given to the National Knowledge Assessment by Hymans.

Regulations and best practice

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 legislation. Knowledge requirements falling on Board members are defined statutorily under section 248a of the Pensions Act 2004 and are personal to individuals. Learning requirements for Committees are less stringently defined in legislation and fall collegiately on Committees as collective bodies rather than on individual members.



Though their learning obligations under legislation are different, both Committee and Board members share significant common ground in terms of the sphere of knowledge and understanding they need to be conversant with.

The Chartered Institute of Public Finance and Accountancy (CIPFA) supplements this with best practice requirements. It 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 and there is a separate technical knowledge and skills framework for Local Pension Board members which is CIPFA Local Pension Boards (2015) which has 8 core areas. Both frameworks cover the following areas:

1. Pensions Legislation;
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 significant crossover in the knowledge requirements from each of the frameworks and an amalgamated 'Training needs' questionnaire is issued by the pensions team to Committee and Board members on an annual basis.

Training Needs Analysis

The training needs questionnaire was sent to all Committee and Board members in January 2023 as well as the prior year and a total of 12 responses from Committee members and 12 Board member responses were received. In general, across both years, the Board/ Committee, scores are consistently good for legislation, governance, funding, administration, investment, and finance. However, scores were consistently lower for financial services and Procurement, Contract Management and Relationship Management. Further highlights are shown below.

The highest scoring areas for the Pension Fund Committee were –

- Pensions Financial Strategy, Management Accounting, Report and Audit Standards, and
- Funding Strategy and Valuation.

The lowest scoring areas for the Pension Fund Committee were -

- Pension Services Procurement, Contract Management and Relationship Management, and
- Pensions Legislation and Guidance.



The highest scoring areas for the Local Pension Board were –

- Pensions Governance, and
- Pension Legislation and Guidance

The lowest scoring areas for the Local Pension Board were –

- Financial Services and Products, and
- Pension Services Procurement, Contract Management and Relationship Management.

Following feedback and to aid greater participation in future, it is intended to review the questionnaire ahead of next year's training needs assessment.

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 this year, are:

- Breaches reporting,
- Audit and assurance framework,
- Investment vocabulary, jargon-busting and attributes of main asset classes,
- Pensions Dashboard

These have been incorporated in the 2023/24 training plan.

Pension Committee Training Requirements

To address the potentially limited understanding of procurement processes, a pre-committee briefing will be arranged to enhance understanding in this area before deciding on the Fund's new actuarial services provider later this year.

Hymans National Knowledge Assessment

Hymans offer a tool to test the knowledge and understanding of board and committee members which provides broader insight on knowledge and understanding across several other Pension Funds within the local government pensions sector. This is useful information in developing the training plan.

Results of this year's assessment in which 16 local authorities participated have recently been reported. There was a 73% participation rate with two funds achieving 100% participation.

The highest scoring areas were –

- Pensions Governance
- Actuarial Methods, Standards and Practices.

The lowest scoring areas were –

- Investment, Performance and Risk Management, and
- Pensions Accounting and Audit Standards.



As part of the assessment, the top subject areas where participants would most value training are –

- Committee Role and Pensions Legislation
- Investment Performance and Risk Management
- Pensions Governance
- TPRs Code of Practice
- Good Governance

These results help to inform the development of the training plan but do not completely align with the training needs analysis results.

The report recommended that Funds take the following actions –

1. Put in place training plans;
2. Record and monitor training and development and maintain a training log;
3. Assess tools available to support with training delivery;
4. Consider ways of engaging and vary training delivery e.g. face to face, on-demand learning opportunities, briefing notes, newsletters;
5. Ensure the Fund's training strategy is up to date and appropriate.

Recommendations 1 and 2 are already adopted by the Fund and work is ongoing to address action points 3, 4 and 5.

LCPF Training Plan 2023/24

The new training plan for 2023/24 can be seen at Appendix A, which sets out various training opportunities for the year including:

- Regular workshops (hybrid sessions which are recorded and available for members to access on-demand via the online Pensions Library);
- Quarterly briefings prior to Pension Fund Committee meetings;
- Quarterly Q&A sessions for new Local Pension Board members;
- External training courses and conferences;
- Online Training and webinars:
 - TPR Public Service Toolkit;
 - PLSA webinars relevant to the LGPS.

In addition, a 4-year cycle of training workshops has been developed (Appendix 'B'), although it should be noted that topics may deviate depending on the training needs of members or the impact of regulatory or industry requirements at that time.

The Pension Fund Committee is asked to approve the planned training available during 2023/24.

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	Catherine Hunt 01772 533757
CIPFA – Technical Knowledge & Skills Framework for Local Pension Boards	2015	Catherine Hunt 01772 533757
CIPFA – Knowledge and Skills Framework – LGPS Committee Members and LGPS Officers	2021	Catherine Hunt 01772 533757
The Pension Regulator – Code of Practice No 14 (Governance and Administration of Public Service Pension Schemes)	2015	Catherine Hunt 01772 533757

Reason for inclusion in Part II, if appropriate

N/A

