

Pension Fund Committee

Meeting to be held on Friday, 8 March 2024

Electoral Division affected:
N/A;

Training Plan 2024/25

(Appendix 'A' refers)

Contact for further information:

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Brief Summary

The Pension Regulator stipulates in regulations that 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 (as set out in the Training Plan) 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 the first six months of 2024/25 as set out at Appendix 'A'.

Detail

A training plan has been developed for the first six months of 2024/25 based on regulatory requirements and best practice as well as analysis of the annual training questionnaires issued to all members of the Pension Fund Committee and Local Pension Board. However, regulatory requirements in this area are evolving and a strategic project will be undertaken to consider the current training approach and forthcoming expectations to develop a new training policy for the Fund. Accordingly, the Training Plan set out at Appendix 'A' covers the first six months of 2024 and an updated Plan will be brought to the committee at a later meeting which will cover the remainder of 2024/25.

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.

Developing requirements

The above legislative requirements form the basis of Knowledge and Understanding requirements outlined in Code of Practice No 14. This is soon to be replaced by the General Code of Practice which will stipulate requirements in several specific areas like (1) to (8) above. The pensions team is continuing to analyse the requirements which are applicable to Local Pension Boards and recommended as good practice for Pension Committees.

Further Knowledge and Understanding requirements are expected following the investment pooling consultation that took place in 2023. Proposals to increase the training requirements for Pension Committees are due to be implemented with the aims of:

- ensuring that Pension Committee members have appropriate knowledge and skills to make decisions and to make good use of professional advisors.



- recognising increasing training amongst Pension Committee members will benefit committees, enhance scrutiny, better inform decision making, and build confidence with scheme members; and
- aligning expectations for Pension Committee members with those for Local Pension Board members.

Regulations are expected later in 2024.

Training Questionnaire Analysis

The training questionnaire was issued to all Committee and Board members at the end of December 2023. All 9 members of the Board completed and returned the training questionnaire however 10 of the total 19 members of the Committee completed the questionnaire this year.

This year's training questionnaire was reviewed and streamlined (following feedback from Committee and Board members) with a view to simplifying the questionnaire.

In general, scores across different areas did not diverge greatly with scores generally fluctuating within a corridor of between 3 and 4 out of a maximum score of 5. The Committee and Board have scored high and low in the same areas except for 'Funding, Strategy & Valuation' and 'Investment Strategy, Pooling & Risk Management' where the scoring is high for Committee but low for Board. However, as a collective the Committee and Board scored highest in 'Finance, Auditing & Business Planning', and 'Pensions Governance' and lowest in 'Procurement/Contract & Relationship management', and 'Pensions Legislation & Guidance'.

The highest scoring areas for the Pension Fund Committee were –

- Finance, Auditing & Business Planning
- Pensions Governance

The lowest scoring areas for the Pension Fund Committee were –

- Pensions Legislation and Guidance
- Procurement/Contract and relationship management

The highest scoring areas for the Local Pension Board were –

- Pensions Governance
- Finance, Auditing & Business Planning

The lowest scoring areas for the Local Pensions Board were –

- Procurement/Contract and relationship management
- Investment Strategy, Pooling & Risk management

The training questionnaire also provided opportunities for members to submit additional comments regarding the delivery of training and any areas members would want a particular focus. The Fund has taken on board each comment and suggestion and will incorporate into the development of the training plan and policy. High level results indicated the following and actions that have or will be taken as a result are noted below:



Feedback	Action
Frequency and duration of internal workshops	In general respondents indicated this was pitched right. However, the pensions team will explore whether some workshops could accommodate more than one topic over the 1.5-hour duration.
Suitability of different external events training	In appendix A, further information has been provided on external events to support members in deciding on which event to attend.
Are presenters aware of what delegates need to know?	This was reference by a couple of respondents. To ensure more focused content, a standard slide pack proforma is being developed including learning objectives at the start and a recap of learning at the end of the workshop.
Technical/sector/topical updates seem important	The pensions team is exploring whether a brief newsletter for Board and Committee members would assist in keeping abreast of developments.
Support for new members	Some respondent noted that training needs may differ for new members. The pensions team is considering how best to target this. An introductory training session is provided to all new members together with Q&As sessions for new Board members.

LCPF Training Plan 2024/25

The pensions team are in the process of developing a training policy which will work towards better structuring training requirements and delivery during the year. To be able to implement the training policy as soon as possible the training plan has been considered up to September 2024 with a view of presenting the final half of the years training plan alongside the training policy.

The part year training plan can be seen at Appendix 'A' and sets out training opportunities for the year up to September 2024 as mentioned above. The workshops allocated for these sessions have been selected based on the training questionnaire analysis and key requirements.

In addition to the structured workshops instigated by the Fund, there are a wide range of external training opportunities including conferences, training courses and key topic webinars supplied by various pensions consultancy firms. The pensions team have developed a table to show the various events we feel would be a support to members in their roles and have indicated which events are suitable to the newer and more experienced members. The Fund will also periodically review the



scheduled external webinars available and inform members of any which may be useful to also attend.

Consultations

Local Pension Board members
Pension Fund Committee members

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	James Almond 01772 539699
CIPFA – Technical Knowledge & Skills Framework for Local Pension Boards	2015	
CIPFA – Knowledge and Skills Framework – LGPS Committee Members and LGPS Officers	2021	
The Pension Regulator – Code of Practice No 14 (Governance and Administration of Public Service Pension Schemes)	2015	

Reason for inclusion in Part II, if appropriate

N/A

