

# WIRRAL COUNCIL

## PENSIONS COMMITTEE

22 JUNE 2021

<b>REPORT TITLE:</b>	<b>MEMBERS' LEARNING &amp; DEVELOPMENT 2021</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### REPORT SUMMARY

The purpose of this report is to remind Members of the requirement to ensure that all involved in the governance of public sector funds can evidence that they have the knowledge, skills and commitment to carry out their role effectively. Details of the Fund's provision of opportunities for learning & development in the forthcoming year are set out in the appendix.

### RECOMMENDATION/S

That the Pensions Committee be recommended to note the report and approve the proposed learning and development plan for 2021.

### SUPPORTING INFORMATION

#### 1.0 REASON/S FOR RECOMMENDATION

1.1 The requirement for good governance in the Local Government Pension Scheme (LGPS) to be underpinned by informed decision-making, combined with the increasing complexity of financial markets and investment strategies, makes ongoing learning and development an essential element of Members' responsibilities.

#### 2.0 OTHER OPTIONS CONSIDERED

2.1 Based on an ongoing assessment of training needs, there may be the option of reverting to bespoke, stand-alone training and development events.

#### 3.0 BACKGROUND INFORMATION

3.1 In recent years there has been a marked increase in the scrutiny of public service pension schemes, including the 100 regional funds that make up the LGPS across the UK. The Public Service Pensions Act 2013 introduced new governance legislation, including the requirement for Local Pension Boards to be set up and extended the remit of the Pensions Regulator to public service schemes as set out in its Code of Practice 14. Additionally, the Ministry of Housing, Communities and Local Government ("MHCLG") in England & Wales and the Scheme Advisory Board (SAB) have emphasised the need for the

highest standards of governance in the LGPS. This includes ensuring that all involved in the governance of public sector funds can evidence they have the knowledge, skills and commitment to carry out their role effectively. The requirement for strong governance has led to vigorous scrutiny by The Pension Regulator and the current SAB review of governance.

- 3.2 The introduction of Markets In Financial Instruments Directive II (MIFID II) in January 2018 required Committee members to evidence their knowledge in order to be treated as professional investors. Also, in late 2019, the Scheme Advisory Board for England and Wales began a review of governance arrangements for LGPS funds. This project – termed ‘Good Governance’ – addressed stakeholder knowledge and skills. A clear recommendation of the Good Governance project is that the knowledge levels already statutorily required of Board members should also be required of Committee members. These recent events have reaffirmed that LGPS funds should evidence the training provided and current knowledge and understanding levels retained within their Committee and Board.
- 3.3 While fund officers may deal with the day-to-day running of the funds, members of the Committee play a vital role in the scheme, and to exercise their roles effectively must be able to address all relevant topics including investment matters, issues concerning funding, pension administration and governance.
- 3.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) Pensions Panel has developed a technical knowledge and skills framework for the Local Government Pension Scheme. The framework was adopted by Pensions Committee in 2010 as demonstrating best practice and enables the Fund to determine that it has the appropriate mix of knowledge and skills necessary to discharge its governance requirements. It also assists Members in planning their training and development needs.
- 3.5 It is a statutory requirement that the Fund’s annual report includes detailed information on training events offered and attended by elected members. A register of Members’ attendance at training and development events is kept and reviewed annually by the Governance & Risk Working Party.
- 3.6 An outline training programme is attached as an appendix to this report. In light of the restrictions arising from Covid, it is anticipated that most, if not all, of the events will be virtual. As and when in person events recommence or officers become aware of other appropriate events, Committee members will be informed.
- 3.7 On occasion, formal training sessions are included in Investment Monitoring Working Parties. However, presentations by external professional organisations and the deliberative nature of all the working parties mean that attendance is regarded as an important element of Member development.
- 3.8 The Local Government Pensions Committee-organised ‘Fundamentals’ course is considered essential for all members to complete. It provides a comprehensive overview of the LGPS and the ‘trustee’ role carried out by those serving on a pension committee/panel. The course takes place over three days

(during October – December), on multiple dates in London, Leeds and Cardiff. While considered essential for new members, longer serving members of Pensions Committee may also wish to avail themselves of the course.

- 3.9 Officers are exploring opportunities for bespoke in person and online learning to assist members of Committee, Board and officers in fulfilling their responsibilities.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 Provision for Member learning and development is included in the Fund's annual operating budget.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are none arising from this report.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING; ICT AND ASSETS**

- 6.1 There are none arising directly from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 Failure to maintain an appropriate level of knowledge and skills, commensurate with that thought appropriate for those acting in a trustee-like role in the LGPS, may impair effective decision-making and the requirements under MIFID II. Suitable and effective training and development activity should assist in mitigating this risk.

#### **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

#### **9.0 EQUALITY IMPLICATIONS**

- 9.1 There are no equality implications arising from the report.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 10.1 There are none arising from this report.

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#### **APPENDICES**

Appendix 1 - Learning & Development Programme.

#### **BACKGROUND PAPERS**

None.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pensions Committee</b>	<b>February 2020</b>
<b>Pensions Committee</b>	<b>January 2019</b>
<b>Pensions Committee</b>	<b>January 2018</b>

## APPENDIX 1

<b>MONTH (2021)</b>	<b>EVENT</b>
26 January	LGA - LGPS Update event Online
18 - 19 March	LGC Investment Seminar, Online
23 February	Investment Monitoring Working Party Online
9 - 11 March	PLSA Investment Conference, Online
18 - 19 May	PLSA Local Authority Conference, Online
29 June	Investment Monitoring Working Party Online
30 June – 1 July	PLSA ESG Conference, Online (NEW)
9 - 10 September	LGC Investment & Pensions Summit, Leeds
15 September	Investment Monitoring Working Party Online
12-14 October	PLSA Annual Conference, Online
16 November	Investment Monitoring Working Party Online
November	Annual Employers Conference, tbc
October – December	LGA - Fundamentals training days; multiple dates & locations tbc
December	LAPFF Annual Conference, Bournemouth (tbc)