

# **WIRRAL COUNCIL**

## **PENSIONS COMMITTEE**

**29 NOVEMBER 2021**

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

### **REPORT SUMMARY**

The purpose of this report is to inform Members of the provision of a Local Government Pensions Scheme (LGPS) focused online pensions' learning facility for officers, Pensions Committee and Pension Board members.

### **RECOMMENDATION/S**

That the Pensions Committee be recommended to note the report and support the roll-out of the online learning programme provided by Hymans Robertson.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION**

- 1.1 The administration and the investment-related aspects of the Local Government Pension Scheme (LGPS) are technical and complex areas. Good governance is supported by informed decision-making.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 There is an option not to provide training. However, there is a statutory requirement for Board members to evidence knowledge and understanding and for the Fund to report detailed information on training events offered and attended by elected members.
- 2.2 Retaining the existing face-to-face learning and development arrangements only was considered. Online training has advanced significantly as a consequence of pandemic-related restrictions and provides greater flexibility in terms of scope, accessibility and cost.

### **3.0 BACKGROUND INFORMATION**

- 3.1 In June, the report to this Committee on Member development set out the burgeoning expectations that all involved in the governance of public sector funds should evidence they have the knowledge, skills and commitment to carry out their role effectively and advised that officers were exploring opportunities for bespoke in person and online learning to assist members of Committee, Board and officers in fulfilling their responsibilities.
- 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. 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.
- 3.3 Furthermore, the Pensions Regulator has a clear expectation documented within its Code of Practice for the administration and governance of Public Sector Schemes, that schemes must regularly assess training opportunities to ensure that decision-making and oversight groups have an adequate level of knowledge to carry out their roles effectively.

There is also an expectation that the Scheme Advisory Board and the Pension Regulator will introduce requirements for schemes to undertake independent Governance Reviews and risk assessments to demonstrate the continuous education of Committee/Board underpinning the management of the Fund.

- 3.4 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.
- 3.5 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.
- 3.6 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 officers and Members in planning their training and development needs.
- 3.7 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.
- 3.8 There is no intention of changing the existing provision of in person learning and development opportunities, but it is recognised that this does not necessarily cater for the needs of all Members nor cover all relevant topics.

The LGPS Online Learning Academy (LOLA) has been developed by Hymans Robertson as an online training platform providing 'bitesize' learning modules. The varied subject matter provides the ability for individuals to absorb information at their own pace with access to further information on each module for a more in-depth understanding of a particular area.

The course includes six training modules and covers all the key areas to successfully manage the running of the Fund, including:

- Introduction to the LGPS and role of Elected Members
- Governance & Regulators and Business Planning
- LGPS administration, including policies and procedures, accounting, and audit.
- LGPS valuations, funding strategy and LGPS employ
- Investment Strategy, pooling, responsible investment, and performance monitoring
- Current issues in the LGPS

- 3.9 As well as delivering training support, the training platform tracks the progress of training plans and provides a record of activity. The platform allows participants to 'dip in and out' as and when time allows but it is recommended that completion of the course should be accomplished within the calendar year.

3.10 The Fund has procured a two-year contract for the period 1 January 2022 to 31 December 2024. If each Member completes all the modules at least twice over the contract period, then the importance of training at the Fund would be demonstrated to the Pensions Regulator.

3.11 To facilitate access to the online training platform, the Fund is required to provide Hymans Robertson with the email address of each Committee and Board member.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 The overall cost of the System is £5,010 p.a. which covers the provision of licences for Pensions Committee, Pension Board and relevant officers. Provision for Member learning and development is included in the Fund's annual operating budget.

#### **5.0 LEGAL IMPLICATIONS**

5.1 There is a statutory requirement for Pension Boards to evidence current levels of knowledge and understanding and for the Fund to include detailed information on training events offered and attended by elected members in its annual report.

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

6.1 It is expected that LOLA will assist officers in the provision and evidencing of learning by Pension Committee and Pension Board.

#### **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 The Chair of Pension Committee and Chair of the Pension Board have considered the scope of the Hymans Robertson Online Training Platform and are satisfied that the subject matter provides the necessary mix of knowledge to demonstrate to the Pension Regulator and Scheme Advisory Board that Merseyside Pension Fund Committee and Board members have an adequate level of knowledge to carry out their roles effectively

#### **9.0 EQUALITY IMPLICATIONS**

9.1 There are no equality implications arising from the report. The additional flexibility provided by online learning enhances the training offer to elected members.

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

10.1 There are none arising from this report.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 None arising from this report.

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## **APPENDICES**

None

## **BACKGROUND PAPERS**

The Public Service Pensions Act 2013

CIPFA Knowledge and Skills Policy and Framework

## **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>