



## **PENSIONS COMMITTEE**

**23 FEBRUARY 2022**

<b>REPORT TITLE:</b>	<b>MEMBERS' LEARNING AND DEVELOPMENT</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### **REPORT SUMMARY**

The purpose of this report is to provide Members with an outline of the anticipated opportunities for learning and development in 2022.

### **RECOMMENDATION/S**

The Pensions Committee is recommended to note the report and approve the outline learning and development plan for 2022.

## **SUPPORTING INFORMATION**

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

- 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, 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.

### **3.0 BACKGROUND INFORMATION**

- 3.1 In recent years there has been a marked increase in the scrutiny of public service pension schemes, including within 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 Department of Levelling Up, Housing and Communities (DLUHC) 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.
- 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, the Scheme Advisory Board for England and Wales has reviewed 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 The 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.
- 3.4 It is a 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.

- 3.5 On occasion, formal training sessions are included in Investment Monitoring Working Parties. Nonetheless, 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.
- 3.6 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 and in multiple 'virtual' locations. While considered essential for new members, longer serving members of Pensions Committee may also wish to avail themselves of the course.
- 3.7 Additionally, Members will be provided with access to 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. 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.

- 3.8 An outline training programme is attached as an appendix to this report. There will be a mix of virtual and in person events.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The Fund makes a budgetary provision for training. Members will be advised of the costs of events on a case-by-case basis. The LOLA online training system will assist in providing a record of training activity.

#### **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 There are no implications arising directly from the 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 Training needs assessments are undertaken periodically to assist in the development of learning opportunities.

## **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. The increased availability of virtual learning will help to reduce travel.

## **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 There are none arising from this report.

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## **APPENDICES**

Appendix 1 Summary of known training opportunities.

## **BACKGROUND PAPERS**

CIPFA Pensions Knowledge and Skills Framework [Pensions Knowledge and Skills Framework | CIPFA](#)

The Good Governance project [LGPS Scheme Advisory Board - Good Governance \(lgpsboard.org\)](#)

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>This is an annual report to Pensions Committee</b>	

## **APPENDIX 1**

<b><u>MONTH (2021)</u></b>	<b><u>EVENT</u></b>
20-21 January	LGPS Governance Conference
25 January	Workshop on Human Rights
26 January	LGA - LGPS Update event. Online
9-10 March	PLSA ESG conference. Online
2 March	Investment Monitoring Working Party. Online
24-25 March	LGC Conference, Chester
25-26 May	PLSA Investment Conference, Edinburgh
8 June	Investment Monitoring Working Party. Online
13-15 June	PLSA Local Authority Conference, Gloucester
September	LGC Investment & Pensions Summit, Leeds
13 September	Investment Monitoring Working Party. Online
12-13 October	PLSA Annual Conference, Liverpool
15 November	Investment Monitoring Working Party. Online
November	Annual Employers Conference, tbc
October – December	LGA – LGPS Fundamentals training days; multiple dates & locations tbc
December	LAPFF Annual Conference, Bournemouth