



Merseyside Pension Fund

Training Policy for Elected Members

May 2024

Contents

Preamble	2
Introduction.....	2
Legal Considerations.....	2
Applicability	3
Policy aims and objectives	4
Competencies	4
Training Policy and Plan.....	5
Monitoring and review	5
Reporting and compliance.....	6
Policy for Payment of Expenses	6

Preamble

Merseyside Pension Fund (MPF) has had regard to the legal requirements set out in the Local Government Pension Scheme (LGPS) Regulations, other relevant legislation and best practice guidance published by CIPFA and other professional and regulatory bodies in drawing up this policy to ensure that all those involved in the decision-making and oversight process receive all relevant training required to properly discharge their responsibilities.

Introduction

Myners' first principle recommends that "decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively". Where trustees elect to take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take.

Trustees should ensure that they have sufficient in-house staff to support them in their investment responsibilities and should assess whether they have the right set of skills, both individually and collectively, and the right structures and processes to carry out their role effectively.

Legal Considerations

Elected members have a fiduciary responsibility to the Fund, Scheme members, local council taxpayers and other stakeholders in relation to the Local Government Pension Scheme. They can delegate functions to officers, but they retain overall responsibility for the management of the Fund and its investment strategy. Implementation of investment strategy should be delegated to officers or the pool.

Administering authorities are required to take proper advice to enable them to fulfil their obligations under the above regulations. 'Proper advice' is defined in the regulations as 'the advice of a person who is reasonably believed...to be qualified by his ability in and practical experience of financial matters....'

In addition to this policy, the Local Pension Board has a statutory duty under the Public Service Pension Act 2013 to be conversant with the rules of the Scheme and to discharge its responsibilities as set out in the Pension Regulator's Code of Practice. These are elaborated in section 11 of the Local Pension Board's Terms of Reference.

Supplementary to this policy, the Fund's Compliance Manual sets out Continuing Professional Development requirements for Senior Officers.

Annex 1 sets out the principal legislation and guidance considered in the preparation of this policy.

Applicability

This training policy sets out expectations regarding Local Government Pension Scheme knowledge and skills for:

- Members of Pensions Committee
- Members of the Local Pension Board
- Senior officers of the fund (as designated by the Director of Pensions)

This policy has been prepared taking account of the CIPFA code of practice on LGPS knowledge and skills 2021, which was adopted by Pensions Committee at its meeting of 11 July 2023.

Merseyside Pension Fund (MPF) has adopted, as part of its knowledge and skills framework, seven statements. These are that:

1. MPF adopts the key principles of the Code of Practice on LGPS Knowledge and Skills.
2. MPF recognises that effective management, governance, decision-making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
3. MPF has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of LGPS knowledge and skills for those responsible for the management, delivery, governance and decision making of the LGPS
4. These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as those set down in the CIPFA LGPS Knowledge and Skills Framework and the Scheme Advisory Board's Good Governance review.
5. MPF will ensure that it has adequate resources in place to ensure all staff, members or other persons responsible for the management, decision making, governance and other aspects of the delivery of the LGPS acquire and retain the necessary LGPS knowledge and skills.
6. MPF will report annually on how its knowledge and skills policy has been put into practise throughout the financial year in its annual report.
7. MPF has delegated the responsibility for the implementation of the requirements of the Code of Practice to the Director of Pensions who will act in accordance with this knowledge and skills policy statement.

Policy aims and objectives

Pension fund decision making, management, delivery and monitoring is undertaken by persons who have the appropriate knowledge and skills.

Those persons responsible for decision making, management, delivery and monitoring have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.

Knowledge and skills are obtained, maintained, and updated in the light of the requirements of and developments in legislation, regulation, guidance, governance, investment and administration relating to the LGPS.

The collective expertise, experience and knowledge of committee members be such that the Fund's investment managers can gain the necessary assurances that the Fund, as client, is capable of making investment decisions and understanding the nature of risks involved in the context of the transactions or services envisioned. This is required to maintain the Fund's status as an elective professional client under MiFID II.

In making decisions, Pension Committee Members understand why they should put aside political considerations, act in the interests of all employers and individual fund members, and within the regulatory framework.

Competencies

The 2021 CIPFA Code and Framework identify eight core technical areas where appropriate knowledge and skills should be achieved and maintained.

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment strategy, asset allocation, pooling, performance and risk management
- financial markets and products
- pension services procurement, contract management and relationship management

Training Policy and Plan

The Fund arranges an annual programme of external and internal training events throughout the year designed to meet the requirements of new members of the Committee and the Board along with the ongoing needs of existing members. These events are the subject of annual reports to Pensions Committee and Pension Board. Additionally, Committee and Board members are informed of and invited to training events as they become available.

On occasion, formal training sessions are included in the Working Parties. 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.

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 Committee. The course takes place over three days (during October – December), on multiple dates and in multiple locations. Whilst considered essential for new Members, longer serving Members of Pensions Committee may also wish to avail themselves of the course.

It is recommended that the LGPS Online Learning Academy (LOLA), an online training platform providing 'bitesize' learning modules, is undertaken and completed annually to remain up to date with changes in the LGPS. 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 govern 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.

Monitoring and review

The Fund will regularly assess that committee members, board members and senior officers have the required knowledge and skills. Accordingly, the Fund will:

- Undertake regular self-assessments against the competencies as set out in this policy
- Prepare training plans
- Provide regular information on training opportunities
- Monitor and report participation in training opportunities
- Make available a record of training attended in the Fund's annual report

The responsibility for informing the fund of attendance at training events and that training records are accurate and up to date lies with participants.

Reporting and compliance

In accordance with the CIPFA code of practise, Merseyside Pension Fund has nominated the Director of Pensions to be responsible for ensuring compliance with this policy.

The Fund's annual report will include details of all training opportunities provided to Pensions Committee Members and Pension Board members together with details of attendance.

Policy for Payment of Expenses

The Fund will reimburse all reasonable costs and expenses incurred in undertaking approved training for all members of the Pensions Committee and Pension Board.

Claims should be submitted to the Fund and supported by an official receipt.

Members serving on the Committee from other local authorities or organisations may choose to continue to claim any such expenses from these bodies instead if they prefer.

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