



PENSION BOARD – 16 FEBRUARY 2022

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND TRAINING POLICY

Purpose of the Report

1. The purpose of this report is to seek the Board's feedback on the draft Training Policy for members of the Local Pension Committee and Local Pension Board.

Background

2. The Pensions Regulator (TPR) identifies good governance as essential for a pension scheme to be successful. The following extract from TPR's website explains the link to training:

“There is a clear link between good governance and good fund performance so it is an essential part of effective scheme management. Without good governance, you are unlikely to achieve good outcomes for members. Good governance is about having motivated, knowledgeable and skilled people involved with running the scheme. It's also about having the right structures and processes to enable effective, timely decisions and risk management, and to provide clear scheme objectives. It helps you to effectively oversee:

- administration and record-keeping
- investment and funding (in local government schemes)
- communications with members

You should spend time and resources getting your scheme governance right. This will help you to minimise risk and maximise opportunities for your scheme and your members. Investing in good governance is likely to save you in the long run, delivering good value for members and employers, and improving member outcomes.”

3. TPR places specific responsibilities on Pension Board members, they must:
 - be conversant with (i.e. have a working knowledge of) your scheme rules and any document recording policy about the administration of your scheme
 - have knowledge and understanding of the law relating to pensions scheme rules and administration policies

- You must have a working knowledge of your scheme rules and documented administration policies in enough detail to know where they are relevant to an issue understand and if necessary challenge any advice that you're given.
4. The Fund's Training Policy was first agreed 8 November 2019 by the Local Pension Committee. The training policy is being refreshed and will be taken to the next Local Pension Committee meeting with feedback incorporated for approval.

Training Policy

5. Members of both the Local Pension Board and Committee should demonstrate a suitable level of knowledge and understanding. The Training Policy sets out the Fund's approach to delivery, assessment and recording plans.
6. Board and Committee Members are asked to complete a Training Needs Assessment on a yearly basis. The Board's anonymised results are attached as Appendix B. The results of the questionnaire, together with the current priorities for the Fund are used to decide on the approach and topics of training offered. As of 7 February 2022 five out of six members had completed the assessment.
7. Officers, on a regular basis, inform Committee and Board members of relevant training opportunities, including:
- Face-to-face sessions provided by external bodies e.g. Local Government Association.
 - Face-to-face sessions held internally, delivered by officers and/or the Fund's providers e.g. actuary, investment advisers, investment managers. Sessions may be held jointly with both Committee and Board, or held separately, depending on priorities and availability. Some sessions may be held adjacent to scheduled meetings and may be linked to specific issues on the agenda.
 - Recommended reading material to keep up-to-date with pensions issues.
 - Modules of the Hymans on-live training package
8. In addition, induction training will be made available for all new members of the Committee and Board, including potential substitute members.
9. Each Member of the Committee will also receive an Information Pack which will contain information key to their role as set out in the Training Policy. The contents of this pack is shown below and will be subject to change over time. The pack is focused on investment related areas in the main and hence Committee members are asked to bring a copy to meeting whilst Board members are not.

| 1 | Title | Purpose |
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| 1 | AGM Presentation | General Background |
| 2 | Investment Strategy Statement | Provides the structure in relation to how the Fund's investments are managed |
| 3a | Asset Strategy and Structure | Details the allocation of assets to specific classes, the rational and expected return |
| 3b | Investment Mapping to LGPS Central Pool | Comparison of current investments to LGPS Central's expected offering |
| 4 | Responsible Investment and Engagement Framework (LGPS) | Explains how Environmental, Social and Corporate Governance (ESG) factors are accounted for in LGPS Central's investment process |

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| 5 | Actuarial Valuation Report | High level outcomes from the 2016 actuarial valuation |
| 6 | Funding Strategy Statement | Governs how employers pay their liabilities |
| 7 | Active Equities Newsletter | Explain use of Style Analytics in manager monitoring |
| 8 | Investment Performance Overview | Demonstration and Explanation of Portfolio Evaluation's manager performance reports |
| 9 | LGPS central accounts | Updated annually. Year end March. Accounts available during Q2/Q3 later in the year. |
| 10 | Hymans 2019 valuation | This is the actuaries valuation of the Fund and is completed every 3 years. |
| 11 | Summary of member benefits | Shows the key features of the LGPS |
| 12 | Local fund governance | To cover: ToR for local pension committee and pension board, current members of both |
| 13 | Web links covering National Governance | To cover: Regulations for governance, benefits and investments, guidance, scheme advisory board, pensions regulator code of practice, section 13 review of funding by government actuary, cost cap mechanism |
| 14 | Training | Web link to pensions regulator toolkit Our training programme |

11. The Training Policy was reviewed January 2021 and is included as Appendix A. One addition was proposed to reference the additional training material from Hymans for both Committee and Board Members. These modules are web based and include a video summary from pensions professionals, printable slides if needed and knowledge checks at the end of the module. There are six modules to complete which cover the following:

- a. Module 1 – an introduction to the LGPS
- b. Module 2 – LGPS Governance and oversight bodies
- c. Module 3 – administration and fund management
- d. Module 4 – Funding and actuarial matters
- e. Module 5 – investments
- f. Module 6 – current issues

12. Hymans are able to provide feedback to the Fund on the regarding take up and completion of the modules by officers and members on a monthly basis.

13. Recording and reporting of training and will be completed for Committee and Board members, with inclusion in the Fund's Annual Report.

Recommendation

14. The Board is asked to comment on the revised Training Policy ahead of the Local Pension Committee meeting on 25 March 2022, where approval will be sought.

Equality and Human Rights Implications

15. None.

Appendices

Appendix A - Training Policy for the Local Pension Committee and the Pension Board
Appendix B – 2021 Board Members Training Needs Assessment

Background Papers

None

Officers to Contact

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