



LOCAL PENSION COMMITTEE – 8 FEBRUARY 2023

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

PENSION FUND TRAINING UPDATE

Purpose of the Report

1. The purpose of this report is to provide the Local Pension Board with an update on the Pension Fund's Training Policy which details the Fund's approach to delivery, assessment and recording of training, which members of the Local Pension Committee and Board are expected to complete in order to demonstrate a suitable level of knowledge and understanding.

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. The Fund's Training Policy was first approved by the Local Pension Committee on the 8 November 2019. The latest version of the Training Policy was approved by the Committee on 25 March 2022.

4. The policy and regular training, is required because of:
 - the distinction of fiduciary duty owed to the Fund, compared to members and officers' usual business.
 - the complexity of pension and investment issues.
 - inevitable changes in the membership due to the election cycles.
 - the Fund being treated by investment managers as a professional client.
 - the potential consequences of not administering the Fund in an appropriate manner
 - responsible investing, and how the Fund achieves this.
5. The importance of training is reflected in the Terms of Reference of both the Committee and Board which states the membership must demonstrate to the Administering Authority their capacity to attend and prepare for meetings or to participate in required training.

Training Policy

6. 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.
7. Board and Committee Members are asked to complete a Training Needs Assessment on a yearly basis. The anonymised results are attached as Appendix A. 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 20 January 2023, 15 out of 19 Committee and Board members had completed the assessment.
8. Officers, on a regular basis, inform Committee and Board members of relevant training opportunities, including:
 - Face-to-face sessions provided by external bodies, for example, THE Local Government Association.
 - Face-to-face sessions held internally, delivered by officers and/or the Fund's providers, for example, 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-line training package 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:
 - Module 1 – an introduction to the LGPS
 - Module 2 – LGPS Governance and oversight bodies
 - Module 3 – administration and fund management
 - Module 4 – funding and actuarial matters
 - Module 5 – investments
 - Module 6 – current issues [topics are regularly updated and added to this module by Hymans]

9. In addition, induction training is made available for all new members of the Committee and Board, including potential substitute members.
10. Each Member of the Local Pension Committee also receives an updated Information Pack which will contain information key to their role as set out in the Training Policy. The pack is focused on investment related areas in the main hence being more geared towards the Local Pension Committee.
11. However, it is intended that the pack will be updated post the March 2023 Committee meeting and recirculated given the key updates expected, including production of a pack more geared towards the Board. The contents of the Committee pack is shown below and will be subject to change over time.

	Title	Purpose	To be Updated
1	AGM Presentation	General Background	December 2022
2	Investment Strategy Statement	Provides the structure in relation to how the Fund's investments are managed	March 2023
3a	Asset Strategy and Structure	Details the allocation of assets to specific classes, the rational and expected return	January 2023
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	
*	Net Zero Climate Strategy	The Fund's Approach to Managing Climate risk and Opportunities	March 2023
5	Actuarial Valuation Report	High level outcomes from the 2022 actuarial valuation	March 2023
6	Funding Strategy Statement	Governs how employers pay their liabilities	March 2023
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 later in the year.	
11	Summary of member benefits	Shows the key features of the LGPS	
12	Local Fund governance	ToR for LPC and LPB	
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 as well as the Fund training policy.	
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12. Completion of the training needs assessment and records of training by Committee and Board members, is included within the relevant Annual Report. Appendix B provides a summary of the training undertaken by the Pension Board and Committee since March 2022.

Recommendation

13. It is recommended that the Local Pension Board notes the report.

Equality and Human Rights Implications

14. None.

Appendices

Appendix A – Training Needs Assessment Anonymised

Appendix B – Current Training Progress March 2022-February 2023

Background Papers

Local Pension Committee – 25 March 2022 – [Training Policy Refresh](#)

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