



## **LOCAL PENSION BOARD - 4 FEBRUARY 2026**

### **REPORT OF THE DIRECTOR OF CORPORATE RESOURCES**

### **PENSION FUND TRAINING NEEDS SELF ASSESSMENT**

#### **Purpose of the Report**

1. The purpose of this report is to:
  - i. Provide the Local Pension Board(LPB) with an update on Training Needs Self Assessments which have been undertaken;
  - ii. Set out progress against the Fund's Training Policy and 2025 Training Plan.

#### **Policy Framework and Previous Decisions**

2. The Local Pension Committee (LPC) first agreed a Training Policy on 8 November 2019 in line with best practice at the time. The latest version of the Training Policy was approved by theLPC on 19 June 2024.
3. 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 and the requirement to comply with the Markets in Financial Instruments Directive (MiFID II);
  - the potential consequences of not administering the Fund in an appropriate manner;
  - responsible investing, net zero and how the Fund achieves this.

4. Training requirements are also reflected in the Terms of Reference of both the LP and the LPB, which state members 'must demonstrate to the Administering Authority their capacity to attend and prepare for meetings or to participate in required training.'

### **Background**

5. Since the LPB's formation there has been legislation setting out that Board members have a personal responsibility to have an appropriate level of knowledge and understanding for the purposes of enabling them to exercise properly their functions as a member of the LPB.
6. As indicated as part of the previous Governments 2023 consultation 'Next Steps on Investment', and through the 2025 consultation of the current Government 'Fit for the Future' proposals it will be a requirement that training requirements are extended to the LPC, as well as relevant officers such as the new 'Senior LGPS Role' and Independent person. The Fund has historically reported training undertaken by both LPC and LPB Members annually within the Fund's Annual Report as part of best practice, and as recommended by the Scheme Advisory Board's Good Governance review.
7. As identified by The Pension Regulator, good governance is essential for a pension scheme to be successful, with a clear link between good governance and good fund performance.
8. In early 2024 the Pensions Regulator published a new General Code of Practice (the code) for governing bodies of pension schemes to assist them in meeting their legal obligations and in ensuring their scheme is well governed. The Fund's Training Strategy and Plan aligns with this.

### **Training Needs Assessment**

9. The Chartered Institute of Public Finance and Accounting (CIPFA) published guidance on Pensions Knowledge and Skills in 2021. The guidance identifies eight core 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, contact management and relationship management

10. To best meet the training needs of LPC and LPB Members, a training needs analysis was carried out at the end of 2025. The form consisted of 39 self-assessment questions against CIPFA's eight core areas.
11. As of 16 January 2025 ten out of 12 LPC and four out of six LPB members have completed their assessments. The anonymised results are attached at Appendix A to this report. Any members that have not yet completed the training needs assessment are asked to do so as soon as possible, to support development of this year's training programme which is considered alongside the Fund's budget and business plan elsewhere on the agenda.
12. 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, this can be on a collective and individual basis. Current priorities will focus on emerging issues as a result of fit for the future which may change how Committee and Board need to consider items.
13. Members are also invited to provide any comments on the current training plan, and officers will look at how further collaboration can be utilised to support training.

### **2025 Training Plan Completion**

14. As part of the revised Training Policy agreed in June 2024 a training plan was developed in line with Hymans' on-line Aspire training and it was agreed that Members should complete all modules within six months of approval of the policy, or their appointment. This followed engagement with Committee and Board members on the best approach to training, either with members completing the modules in their own time at home or attending sessions at County Hall, which would include question and answer sessions and be relevant to upcoming agenda items.
15. All new members to the LPC and LPB received induction training from Fund officers.
16. As of January 2026, for Board members that have been appointed over 6 months ago, 4 are compliant with the appropriate modules. For Reminders will be sent to members that have remaining modules (relevant to the LPB) to complete, to ensure completion within the appropriate time period, and for inclusion in the Fund's Annual Report.
17. A record of completion of all training, including Hymans on-line training, undertaken by Committee and Board members is included within the Fund's Annual Report presented in September each year. Essentially, training progress will be shown as a snapshot of the position as at 31 March each year. Appendix B provides a summary of current progress against the Training Policy, however, this will be updated for the Annual Report.

### **Next Steps**

18. As part of the Fund's budget and business plan a draft training plan for 2026/27 is set out elsewhere on this agenda, ahead of Committee consideration on the 20 March.

19. As part of draft guidance there are some changes to core areas of knowledge, this will feed into ad hoc training priorities as required, and form next year's training needs assessment questions.

### **Recommendations**

20. It is recommended that all members should complete the training needs assessment if not yet completed by 31 January 2026.

### **Background Papers**

Local Pension Committee – 19 June 2024 – Revised Training Policy,  
<https://democracy.leics.gov.uk/ieListDocuments.aspx?CId=740&MId=7540&Ver=4>

### **Equality Implications**

None.

### **Human Rights Implications**

None

### **Legal Implications**

The Director of Law and Governance has been consulted on this report.

Under MiFID II (Markets in Financial Instruments Directive) local and public authorities must satisfy a qualitative test that allows them to be treated as a professional investor with the capacity to make investment decisions. This test requires the Local Pension Committee to satisfy those providing investment services that it possesses the expertise, experience and knowledge required to be capable of making its own investment decisions and understanding the risks involved.

The Local Pension Committee's Terms of Reference sets out that members must demonstrate to the Administering Authority their capacity to attend and prepare for meetings and to participate in required training in order to reach the required standard in line with MiFID II and the Fund's Terms of Reference. It is for the Scheme Manager (the Administering Authority) to be satisfied that those appointed have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Committee.

In line with these duties under their role, Committee members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date on anything that would fall within the remit of their role. A written record of all relevant training and development (whether internal or external)

undertaken by Committee members should be maintained. All members will undertake an annual personal training needs analysis and regularly review their skills, competencies, and knowledge to identify gaps or weaknesses, as well as the mandatory training that the Scheme Manager considers is required to ensure the Board and Committee operates as effectively as possible. All information in relation to training and development of all members shall be made available to the Committee and Board as part of the review process.

It is important that members are trained appropriately so that decisions are made from a sound knowledge base thereby minimising the risk of any legal challenge.

The legal framework governing training is, however, expected to change during 2026, following the Government's proposed amendments to the Local Government Pension Scheme Regulations and the issue of new statutory guidance. These changes are anticipated to introduce a formal duty on administering authorities to maintain a comprehensive Training Strategy, and to ensure that all individuals involved in the governance, management, or oversight of the LGPS, including Committee and Board members, relevant officers, and the newly established roles of Senior LGPS Officer and Independent Person, meet and maintain prescribed standards of knowledge and understanding appropriate to their role.

Although these requirements are not yet in force, the Committee's current training arrangements already align with the direction of travel and will be updated as necessary once the revised Regulations and statutory guidance are finalised. The strengthened framework is also expected to emphasise clearer reporting obligations, enhanced record-keeping standards, and the need for training records to support independent scrutiny as part of future governance review processes.

## **Appendices**

Appendix A – Training Needs Assessment Anonymised

Appendix B – Board Member Current Training Progress

## **Officers to Contact**

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