



## LOCAL PENSIONS BOARD

4 June 2024

**Subject Heading:**

**Board Member Training**

**SLT Lead:**

**Kathy Freeman Strategic director of Resources**

**Report Author and contact details:**

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**Policy context:**

**Financial summary:**

None directly

### SUMMARY

This report addresses the training requirements of the Local Pension Board and progress.

### RECOMMENDATIONS

The Board is asked to:

1. Agree to the completion of the CIPFA knowledge and skills questionnaire, as attached at Appendix A.
2. Determine and address skills and knowledge gaps
3. Note the regulatory training requirements

**REPORT DETAIL**

**1. Background**

1. The Pensions Regulator (TPR) new General Code of Practice ('the Code') was laid in Parliament on 10 January 2024 and came into force on 27<sup>th</sup> March 2024. It replaces Code of Practice 14 for Public Sector Pension Schemes and brings together 10 previous TPR Codes into one single code.
2. TPR General Code of Practice states that it is a regulatory requirement, in accordance with section 248A of the Pension Act 2004 that:
  - a) Every individual of the Pension Board must be conversant with
    - The rules of the scheme, and
    - Any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.
  - b) And have knowledge and understanding of—
    - The law relating to pensions, and
    - Such other matters as may be prescribed.
  - c) The degree of knowledge and understanding required by subsection (b) is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.
3. As set out in the Local Pension Board (LPB) terms of Reference and in line with the above requirements Board members are:
  - a) required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date,
  - b) required to maintain a written record of relevant training and development.
  - c) undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses, and
  - d) will comply with the Scheme Manager's training policy.
4. The LPB will be expected to accept ongoing training on relevant issues and developments that meet the Boards needs to ensure that the Board is able to perform its duties effectively.

## Local Pension Board 4 June 2024

5. It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Board.
6. To assist the Board in monitoring its knowledge and skills requirement the Fund uses guidance as issued by The Chartered Institute of Public Finance and Accountancy (CIPFA) "A Technical Knowledge and Skills Framework" for Local Pension Boards to benchmark their training requirements.
7. This Knowledge and Skills Framework (KSF) was first issued in 2015. A revised version was issued in 2021, which applied to the Pensions Committee and Senior Officers.
8. Whilst the 2021 framework targets the Committee and does not directly apply to the LPB, it is broadly similar to the 2015 Framework for the Local Pension Board.
9. CIPFA has identified eight core technical areas where appropriate knowledge and skills should be achieved and maintained. They are:
  - a) pensions legislation and guidance
  - b) pensions governance
  - c) funding strategy and actuarial methods
  - d) pensions administration and communications
  - e) pensions financial strategy, management, accounting, reporting and audit standards
  - f) investment strategy, asset allocation, pooling, performance and risk management
  - g) financial markets and products
  - h) pension services procurement, contract management and relationship management.
10. The Board has previously been issued with CIPFA KSF and includes a self-assessment of training needs as attached at **Appendix A**. The intention is to repeat this exercise during 2024 and for the CIPFA KSF be reissued to the LPB members. On completion, this will be used to identify the knowledge and skills gap and enable a training plan to be developed to target specific areas.
11. To support Board member training, since 15 August 2022, the Fund has also been subscribing to the LGPS Online Learning Academy (LOLA) launched by our Actuaries (Hymans Robertson). This is an online platform designed to support the training needs of Pensions Committees, Local Pension Boards and Officers. On the 1 October 2023 the Fund transitioned to LOLA v2.0, which brings the learning modules more in line with the CIPFA KSF shown in paragraph 9 above and The Pensions Regulator General Code of Practice.
12. The Fund will receive regular progress reports from LOLA allowing it to easily evidence member's development and progress, as shown below:

**Local Pension Board 4 June 2024**

**Table 1 –LOLA v1**

|                            | LOLA v1.0                   |                                    |                                  |                               |             |                         |
|----------------------------|-----------------------------|------------------------------------|----------------------------------|-------------------------------|-------------|-------------------------|
|                            | Module 1                    | Module 2                           | Module 3                         | Module 4                      | Module 5    | Module 6 <sup>(1)</sup> |
|                            | An introduction to the LGPS | LGPS Governance & Oversight Bodies | Administration & Fund Management | Funding and Actuarial Matters | Investments | Current Issues          |
| <b>Local Pension Board</b> |                             |                                    |                                  |                               |             |                         |
| Denise Broom               | in Progress                 | enrolled                           | enrolled                         | enrolled                      | enrolled    | enrolled                |
| Andrew Frater              | completed                   | completed                          | completed                        | completed                     | completed   | completed               |
| Mark Holder                | completed                   | completed                          | completed                        | completed                     | completed   | completed               |
| Yasmin Ramjohn             | completed                   | completed                          | completed                        | completed                     | completed   | in Progress             |
| Joanne Sladden             | completed                   | completed                          | completed                        | in Progress                   | enrolled    | enrolled                |
| Dionne Weekes              | completed                   | in Progress                        | enrolled                         | enrolled                      | enrolled    | enrolled                |

(1) Given the nature of Module 6, we expect it to be refreshed regularly with hot topics relating to the LGPS. This section is not part of the mandatory learning required under the CIPFA Knowledge and Skills Framework. As such, we have removed the Module 6 Knowledge Check and reconfigured the learning plan so that certification is awarded after completion of Modules 1 - 5. This means that Module 6 will always show as ‘In Progress’.

Some colleagues may show as ‘Completed’ on Module 6, this is just dependant on when they were onboarded to the platform as we changed the knowledge check after some users had been onboarded.

**Table 2 – LOLAv2**

|                              | LOLA v2.0                                       |   |                     |                         |   |   |  |   |  |                |
|------------------------------|---|---|---------------------|-------------------------|---|---|--|---|--|----------------|
| Mar-24                       | Module 1  | Module 2                                | Module 3            | Module 4                | Module 5                                | Module 6                                | Module 7                                   | Module 8                                |  |                |
|                              | An introduction to LGPS Online Learning Academy | Committee Role and Pensions Legislation | Pensions Governance | Pensions Administration | Pensions Accounting and Audit Standards | Procurement and Relationship Management | Investment Performance and Risk Management | Financial Markets and Product Knowledge | Actuarial methods, Standards and Practices | Current Issues |
| <b>Local Pension Board</b>   |   |   |                     |                         |   |   |  |   |  |                |
| Jonathan Bunt <sup>(1)</sup> |   |   |                     |                         |   |   |  |   |  |                |
| Denise Broom                 | completed                                       | completed                               | In progress         | enrolled                | enrolled                                | enrolled                                | enrolled                                   | enrolled                                | enrolled                                   | completed      |
| Andrew Frater                | enrolled  | enrolled                                | enrolled            | enrolled                | enrolled                                | enrolled                                | enrolled                                   | enrolled                                | enrolled                                   | enrolled       |
| Mark Holder                  | completed                                       | enrolled                                | enrolled            | enrolled                | enrolled                                | enrolled                                | enrolled                                   | enrolled                                | enrolled                                   | In progress    |
| Yasmin Ramjohn               | enrolled  | enrolled                                | enrolled            | enrolled                | enrolled                                | enrolled                                | enrolled                                   | enrolled                                | enrolled                                   | enrolled       |
| Joanne Sladden               | enrolled  | enrolled                                | enrolled            | enrolled                | enrolled                                | enrolled                                | enrolled                                   | enrolled                                | enrolled                                   | enrolled       |
| Dionne Weekes                | enrolled  | enrolled                                | enrolled            | enrolled                | enrolled                                | enrolled                                | enrolled                                   | enrolled                                | enrolled                                   | enrolled       |

<sup>(1)</sup> enrolled on Sussex LOLA v2.0 platform - certificates to be sent to evidence completion

## **Local Pension Board 4 June 2024**

13. In addition to the LOLA training the TPR also provides a free online training resource to assist those members involved with public service pension schemes, which is accessed via a “Trustee Toolkit” link on its website. The toolkit provides a set of 12 learning modules although not all are applicable for Local Government Pension Scheme (LGPS).
14. Of the 12 modules (10 of which are applicable to the LGPS) there are five core modules for all pension schemes, plus four for Defined Benefit Scheme (LGPS) and plus one for all scheme types.
15. Board Members are encouraged to visit the site and assess whether this will enhance their learning & development.
16. The fund provides board members with a list of items that the Board should be familiar with and made available as part of Board member inductions.
17. It is a statutory requirement for the Fund to report and include within its Annual report, training undertaken by the LPB. To facilitate this the Fund maintains a training register to record appropriate board member training and development.

### **IMPLICATIONS AND RISKS**

#### **Financial implications and risks:**

TPR will assess non-compliance with any code when considering if a statutory requirement has been met. There is a risk to the Fund that penalties may be imposed if the TPR, upon assessment, determines that legal requirements are not met.

It is a statutory requirement for the Fund to report and include within its Annual report, training undertaken by the LPB. To facilitate this the Fund maintains a training register to record appropriate board member training and development. There is a risk that this may not be complete if members do not notify officers of any external training undertaken.

Based on number of licences currently active, there is a cost of c£5,000 to access the LOLA training.

Costs are met from the Pension Fund

#### **Legal implications and risks:**

Codes of practice are not statements of the law and there is not usually a direct penalty for failing to comply with them, but it does set out expectations of how governing bodies should comply with their legal duties.

## **Local Pension Board 4 June 2024**

It is not necessary for all the provisions of a code of practice to be followed in every circumstance. Any alternative approach to that appearing in the code of practice will need to meet the underlying legal requirements, and a penalty may be imposed if these requirements are not met.

Those legal requirements are set out in the body of the report.

### **Human Resources implications and risks:**

No direct implications

### **Equalities implications and risks:**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment/identity.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA is not considered necessary regarding this matter as the protected groups are not directly or indirectly affected

**BACKGROUND PAPERS**

Background Papers List

None

