



# South Tyneside Council

Local Pension Board

Date: 4<sup>th</sup> July 2024

---

## Training for the Local Pension Board (for decision)

Report of the Head of Pensions

---

### **Purpose of Report**

1. This report addresses the training requirements of the Local Pension Board.
2. The Board is asked to:
  - approve the Training Policy for 2024/2025
  - comment on the potential training to be delivered in September 2024; and
  - note the report.

---

Contact Officer:

Paul McCann, Head of Pensions

---

pensions pensions **pensions** pensions pensions

---

## Background

3. Training is an area taken very seriously by the Fund. An extensive programme of training is provided for Committee and Board members to help with the fulfilment of their responsibilities.
4. The Board has used the Chartered Institute of Public Finance and Accountancy (CIPFA) Technical Knowledge and Skills Framework for Local Pension Boards to benchmark their training requirements. This was issued in 2015.
5. CIPFA issued a revised 2021 version of the Knowledge and Skills Framework for Elected Representatives, which applies to the Pensions Committee. A review of this updated framework has been undertaken and the new Framework has been adopted by the Committee as the basis of its Training Policy and Programme.
6. Whilst this new framework for the Committee does not apply to the Local Pension Board, it is very similar to the 2015 Framework for the Local Pension Board. The Fund expects to receive a further update with a framework for Local Pension Boards at some point in the future.
7. Most recently, as part of the asset pooling consultation response, the Government has stated its intention to introduce a requirement in guidance for administering authorities to set a training policy for Pensions Committee members and for funds to report against this. Further information is awaited from Government.

## Training Policy

8. The Local Pension Board and the Committee have adopted a joint Training Policy and operate a joint approach to the delivery of training.
9. The policy is reviewed annually and updated where appropriate.
10. The policy has been reviewed to take account of the requirements of the introduction of the General Code, and now reflects the latest position on the training requirements for the Local Pension Board and the Pensions Committee members. The latest version of the Training Policy was approved by Committee in June 2024.
11. A copy of the Training Policy is shown in Appendix A for approval.

## Code of Practice 14 – Training Requirements

12. The Training Policy referred to above takes account of the training requirements set out by the Pensions Regulator's Code of Practice Number 14 (COP 14) on the Governance and Administration of Public Sector Pension Schemes.

- 
13. On 28 March 2024, the Pension Regulator (TPR) General Code of Practice came into effect replacing the earlier Code of Practice.
  14. The requirement for knowledge and understanding set out in the new General Code is the same as that set out in COP 14. The requirements for knowledge and understanding are aimed primarily at members of the Local Pension Board, however good practice dictates that the standards should also be applied to Pensions Committee members. The training requirements for Board members are expected to be applied to Committee members in the near future through statutory guidance.
  15. In relation to training, the General Code of Practice states:
    1. *The governing body should:*
      - a. *have a balance of skills and experience throughout the board and be able to demonstrate this*
      - b. *be able to apply its knowledge to governing the scheme*
      - c. *have enough skills to judge and question advice or services provided by a third party*
      - d. *be able to identify and address skills gaps*
      - e. *have enough understanding of industry good practice and standards to assess scheme performance and its service providers.*
      - f. *keep records of the learning activities of individual members and the body as a whole*
      - g. *be able to demonstrate steps it has taken to comply with the law*
      - h. *have and maintain training and development plans to ensure that individual and collective knowledge and understanding is kept relevant and up to date.*

This places a requirement on the individual Board members, and the Committee members if we apply consistent standards, to undertake their own training needs analysis and develop a personalised training plan.

16. The Fund's Policy and Training Programme is considered to provide all the information and detail that individuals need to undertake this analysis and plan for training. It is one of the reasons why a significant level of detail is included in this report about sources of information, training frameworks and training programmes.
17. This allows everyone to review their own position and then have input into the future development of the training programme based on their own understanding, which is then largely delivered as a collective. Officers believe that this provides sufficient information to allow Board members to meet their requirements.
18. To align the Fund's approach more closely to training with the Code of Practice, in late 2018 the CIPFA Knowledge and Skills Framework was circulated to all members of the Local Pension Board. This allowed the individuals to self-assess themselves against this Framework. This

information is now being used to inform the training programme delivered to the Local Pension Board.

19. Officers are currently preparing a document to track the content of training provided to ensure all areas in the Framework are covered.

### **Fund Documents and Training Material**

20. The Fund's website at [www.twpf.info](http://www.twpf.info) holds documents that set out the Fund's policies and working practices in its publicly accessible area.
21. There is also a password protected area that has been set up to hold training material and exempt and commercially sensitive documents. All members have access to this material.

### **Pensions Regulator Training Toolkit**

22. The Pensions Regulator has provided an online training resource to assist those involved with public service pension schemes.
23. This is accessed via a "Trustee Toolkit" link on its website.
24. It has been updated with four additional modules, to update the existing seven modules covering the key themes in the General Code of Practice on governance and administration of public service schemes. Each module provides an option to complete an interactive tutorial online and an assessment to test knowledge.
25. The modules will assist with meeting the minimum knowledge and understanding requirements in relation to the contents of the Code of Practice but would not meet the knowledge and skills requirements in other areas such as Scheme regulations, the Fund's specific policies and the more general pensions legislation. Therefore, this toolkit should be used to supplement the existing training plans.

### **Training Programme for 2024/25**

26. The training programme for 2024/25 will largely be focussed on two off-site training events, supplemented by shorter virtual sessions.
27. The first off-site event of the year will take place in September 2024. It is scheduled to take place from Wednesday 18 September to Friday 20 September at the Doubletree by Hilton Hotel in Leeds.
28. Potential topics for the September off site training sessions could include:
  - The role and responsibilities of the Committee and the Local Pension Board
  - Refreshers on the main asset classes
  - The economic environment

- Service planning
- Triennial valuation
- Investment strategy
- Carbon Footprint
- Net Zero Commitments
- Border to Coast 2030 Strategy
- Pensions Administration Service Delivery
- Cyber security
- Climate Literacy
- GAD and MiFID II
- Guaranteed Minimum Pensions (GMPs) - reconciliation, rectification and equalisation.

29. The Board's views on future topics are requested. The topics to be covered will evolve over time depending on the economic and market environment and the latest developments at the Fund and in the LGPS.

### **Induction Training**

30. Induction training sessions have been scheduled in June and July 2024. The new format of induction sessions will be open to all Pensions Committee and Local Pension Board members.

### **Hymans Robertson Training Package**

31. Hymans Robertson operate an online learning platform which is used to supplement the training programme. A new package of licences are available from June 2024 for a period of one year. The package has been updated to reflect the CIPFA Knowledge and Skills Framework and will be more closely aligned to the National Knowledge Assessment exercise which will be carried out in Autumn 2024.

32. The focus of the training package is likely to be extremely useful for new Committee and Local Pension Board members. However, due to changes in the package and changes in the wider world of pensions, the training package will still be useful to longer standing members.

### **Pooling Consultation and Good Governance Review**

33. Over the coming weeks and months, the Government is expected to progress both the asset pooling consultation and the Good Governance Review, both of which will enhance the training requirements for Pensions Committee members. As a result of this, it may be necessary to update the Training Policy before the end of this municipal year.

### **Recommendations**

34. The Board is asked to:

- approve the Training Policy for 2024/2025
- comment on the potential training to be delivered in September 2024; and
- note the report.

### **Reason for Recommendations**

35. To ensure that an appropriate approach to training is in place.

## **TYNE AND WEAR PENSION FUND**

### **TRAINING POLICY FOR THE PENSIONS COMMITTEE AND THE LOCAL PENSION BOARD**

#### **APPROVED BY PENSIONS COMMITTEE IN JUNE 2024 AND BY THE LOCAL PENSION BOARD IN XXX**

##### **Introduction**

1. South Tyneside Council, as the administering authority for the Tyne and Wear Pension Fund, has adopted a recommendation from CIPFA on knowledge and skills. This states:
  - The Council has adopted the key recommendations of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.
  - The Council recognises that effective financial administration and decision-making can only be achieved where those involved have the requisite knowledge and skills.
  - Accordingly, the Council requires the Pensions Committee and the Local Pension Board to ensure that they have formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of the Local Government Pension Scheme finance knowledge and skills for those responsible for financial administration and decision-making.
  - These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.
  - The Pensions Committee and the Local Pension Board will report on an annual basis how these policies have been put into practice throughout the financial year.
  - The Council has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the Director Business and Resources, who will act in accordance with the Council's practices and, where he/she is a CIPFA member, with CIPFA Standards of Professional Practice.

2. The Pensions Committee has adopted the CIPFA Knowledge and Skills Framework for LGPS committee members and LGPS officers as the basis of its approach to training.
3. The Local Pension Board has adopted the CIPFA Pensions Panel Technical Knowledge and Skills Framework for Local Pension Boards as the basis of its approach to training.
4. The Myners Review recommended that there should be a legal requirement that where trustees are taking a decision, they should be able to take it with the skill and care of someone familiar with the issues concerned.
5. Investment Principle 1 concerns “Effective Decision Making”. As adapted for the Local Government Pension Scheme, it states:
  - “Administering authorities should ensure that decisions are taken by persons or organisations with the skills, knowledge, advice, and resources necessary to make them effectively and monitor their implementation; and
  - Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.”
6. The recommendations from the Myners Review were taken forward by the Pensions Act 2004, which the Fund has followed as best practice.
7. The Training Policy and Programme takes account of the training requirements set out in the Pensions Regulator’s General Code on the Governance and Administration of Public Service Pension Schemes that took effect from March 2024.
8. The Training Policy and Programme takes account of the ongoing specific requirements of the Pensions Committee and the Local Pensions Board.

### **Aims and Objectives**

9. South Tyneside Council recognises the importance of its role as administering authority to the Tyne and Wear Pension Fund.
10. In relation to training, the administering authority's objectives are to ensure that:
  - The members of the Pensions Committee charged with the financial management and decision-making of the Fund and the Local Pension Board who will assist the Committee, are fully equipped with the knowledge and skills required to discharge the duties and responsibilities allocated to them.



- 
- Those persons responsible for the governance of the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, to ensure their decisions are robust and soundly based, and to manage any potential conflicts of interest: and
  - Knowledge and expertise is maintained and kept up-to-date within the continually changing Local Government Pension Scheme and wider pensions landscape.
11. All Pensions Committee members and Local Pension Board members to whom this Policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that these objectives are met. All Pensions Committee members and Local Pension Board members are required to comply with this Training Policy.
  12. Local Pension Board members are required to comply with the training requirements which are set out in the Fund's Governance Statement for Local Pension Board members.

### **Delivery of Training**

13. The training programme is primarily based around two residential training seminars, each lasting up to three days, which are held every year.
14. In addition to the seminars, additional sessions are arranged, as required.
15. The investment managers, the Investment Advisor and the Actuary assist with training. They offer their own training seminars and webinars and provide speakers for the training programme.
16. Training seminars, conferences and webinars that are offered by industry wide bodies are attended.
17. The Fund's public website includes the Fund's key documents and policies. There is also a dedicated secure section within the website which contains training information and circulated reading material.
18. Committee and Board Members are expected to use the links to online training such as the Pensions Regulator's toolkit for public service schemes and the LGPS Online Learning Academy provided by Hymans. Board members are required to complete the Pensions Regulator's toolkit within the first six months of their appointment date. It is a requirement for Board members to undertake an annual personal training needs assessment and regularly review their skills, competencies, and knowledge to identify gaps. The Fund will provide a rolling programme of training on a regular basis, which all Board members will be required to attend.

19. Members receive regular updates from the Fund's officers and advisors.
20. The Fund's officers are available to assist with each Member's individual training requirements.

### **Training for New Members**

21. All new members including substitute members are required to undertake the programme of induction training provided by the Fund's officers including an initial briefing session with the Head of Pensions.
22. On joining the Pensions Committee or the Local Pension Board, individuals will be provided with a Members Handbook which will include information regarding the Fund's key policies and documents.
23. A new Member may also attend induction courses that are offered by the Fund's investment managers.

### **Additional Training for the Investment Panel**

24. Three Committee Members, including the Chair and Vice Chair of the Committee, sit on the Investment Panel. The Panel carries out detailed monitoring of the investment management strategy and structure and of the performance of the individual managers. It makes recommendations to the Committee on changes to the structure. Additional training is arranged for the Members who sit on the Panel.
25. The additional training is also provided in recognition of the more onerous roles of Chair and Vice Chair of the Committee.

### **Additional Training for the Chair and Vice Chair of the Local Pension Board**

26. The Chair and Vice Chair of the Board attend additional training in recognition of the more onerous roles of Chair and Vice Chair of the Board.

### **Monitoring and Reporting of Training**

27. The knowledge, skills and training needs of members will be assessed annually.
28. A training log is maintained by the Fund to record the training offered and undertaken. Members are required to advise the Fund of any training undertaken by themselves as individuals so this can be recorded on the training log.

29. As set out in the Fund's Governance Compliance Statement for Local Pension Board members, the Fund will monitor training undertaken by individuals and may terminate a membership prior to the end of the term of office.

30. A report on training is included in the Fund's Annual Report and Accounts.

### **Arrangements for Review of the Policy and Programme**

31. The Policy is reviewed and updated at least annually.

32. The Committee and Board review the content and delivery of the training programme at each quarterly meeting. Attendance will be reviewed on an annual basis.

---

## Training for Local Pension Board

---

**The following is a list of the background papers (excluding exempt papers) relied upon in the preparation of the above report:**

<b>Background Paper</b>	<b>File Ref:</b>	<b>File Location</b>
Local Pension Board Training File		Investments Office, South Shields Town Hall