



Local Pensions Board

6 December 2022

Title	Knowledge and Understanding
Report of	Executive Director of Strategy and Resources (S151 officer)
Wards	N/A
Status	Public
Urgent	No
Key	No
Enclosures	None
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Summary

The role of the Local Pension Board is to contribute to the governance of the pension scheme by scrutinising the work of the Pension Fund Committee and making recommendations where appropriate. In this context it is important that the Board has appropriate training opportunities for it to fulfil its duties.

Officers Recommendations

The Local Pensions Board is invited to note the training options available to it (and also to the Pension Fund Committee).

The Local Pension Board are invited to:

- 1) collectively commit to undertake the mandatory training; and
- 2) endeavour to undertake the recommended training.

3) Comment on whether the training opportunities provided the Pension Fund Committee are adequate.

- 1.1 The London Borough of Barnet Pension Fund is governed by the Pension Fund Committee, scrutinized by the Local Pensions Board with support of Officers, advisors and outsourced administrators.
- 1.2 The Pension Fund Committee is a decision making body responsible for the operation of the Pension Fund, ensuring it is governed and administered effectively and is financially sustainable.
- 1.3 The Local Pension Board is an oversight body with no direct decision making powers. The Local Pension Board's primary role is to review decisions made by the Pensions Committee and hold the Committee to account. The Local Pension Board includes member and employer representation.
- 1.4 The Local Pensions Board has a regulatory duty to keep their knowledge and understanding up-to-date and to document their training. Guidance around your regulatory duties is summarised on the Pension Regulator's website linked [here](#).
- 1.5 In summary, as a Board member, you must:
 - be conversant with (ie 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
- 1.6 There is no direct Regulatory requirement for the Pensions Fund Committee to undertake training beyond what is required as an elected member.
- 1.7 Issues surrounding the Pension Fund are complex and financially significant to the Council. To make effective decisions it is important that Committee members feel empowered to ask the right questions of Officers and advisors.
- 1.8 It is a priority that both the Pension Fund Committee and Local Pension Board members have access to sufficient training opportunities so that they can meet their duties.
- 1.9 To deliver on this priority we have identified 'mandatory' training – this is training that we expect Local Pension Board members to undertake to enable them to perform their duties (note that this it is a Regulatory requirement for Board members to have sufficient knowledge and understanding to carry out their duties) and 'recommended' training, which will further develop Committee members' skills.
- 1.10 The mandatory and primary training opportunities available to Board and Committee members are summarised in the table below:

Training Opportunity	Description	Approx. hours	PFC	LPB
The Pensions Regulator Trustee tool kit	Web based modular training programme with 7x 30-minute modules focused on governance	3.5	Recommended	Mandatory
Hymans' training portal	Web based training programme with 6 modules covering all aspects of operating an LGPS Fund	c10	Mandatory (within first 6-months of appointment)	Recommended (within first 6-months of appointment)
CIPFA	Day sessions developed and provided by CIPFA on various governance and topical issues	10 p.a.	Recommended	Recommended
Sustainability Training Day	Dedicated workshop / training day focusing on sustainability with a view to developing the Fund's Responsible Investment Policy	5	Mandatory	N/A
Ad-hoc training sessions held before or during committee meetings	Topical issues – Committee / Officers to make suggestions	4 p.a.	Mandatory	N/A (LPB will also receive training)
Private Reading / research	Reading papers / attending workshops and seminars as suggested by Officers and other members of the Committee	0.25 p.w. (c10 p.a.)	Recommended	Recommended
Total (First 12-months)			19 hours Mandatory 23.5 hours Recommended	3.5 hours Mandatory 30 hours Recommended

1.9 The Local Pension Board are invited to note the training options available, agree how training will be recorded and collectively commit to undertake the primary training and endeavour to undertake the recommended training.

1.10 We also note that the Board has one new full member and one new substitute member that will need to undertake the mandatory training requirements.

1.11 Training requirements will be reviewed annually.

2. REASONS FOR RECOMMENDATIONS

2.1 Issues surrounding the Pension Fund are complex and financially significant to the Council. To make effective decisions it is important that Committee members feel empowered to ask the right questions of Officers and advisors.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

3.1 None necessary for this report.

4. POST DECISION IMPLEMENTATION

4.1 Officers will establish a Trustee Training log for Board members that will be considered at each Board meeting.

4.2 Training requirements will be reviewed annually.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

5.1.1 Good knowledge and understanding of the Pension Fund will improve overall governance and operational effectiveness of the Pension Fund.

5.2 Resources (Finance and Value for Money, Procurement, Staffing, IT, Property, Sustainability)

5.2.1 Provision of Hymans' LOLA portal has a modest annual license fee.

5.3 Social Value

5.3.1 The Public Services (Social Value) Act 2012 came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.

5.3.2 Before they start the procurement process, commissioners should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.

5.3.3 The Act is a tool to help commissioners get more value for money out of procurement. It also encourages commissioners to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.

5.3.4 There are no specific social value issues arising out of this report, however membership of the Pension Fund ensures the long-term financial health of contributing employees on retirement.

5.4 Legal and Constitutional References

5.4.1 There are no legal references.

5.4.2 The Council's Constitution – Article 7 – includes within the responsibilities of the Pension Fund Committee the appointment of various service providers. Monitoring is an essential element of the appointment and re-appointment process.

5.5 Risk Management

5.5.1 Risk management is central to the LGPS; which are in themselves risk management tools, managing the risk that future employer income streams will be able to meet future pensions liabilities by creating a reserve from which future liabilities will be met.

5.5.2 The Committee relies on its service providers and good performance from these will help to avoid problems.

5.6 Equalities and Diversity

5.6.1 Pursuant to the Equality Act 2010, the Council is under an obligation to have due regard to eliminating unlawful discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advancing equality of opportunity between persons who share a relevant 'protected characteristic' and those who do not share it; and fostering good relations between persons who share a relevant 'protected characteristic' and persons who do not share it. The 'protected characteristics' are: age, disability, gender reassignment, pregnancy, and maternity, race, religion or belief, sex and sexual orientation. The Council also has regard to the additional protected characteristic of marriage and civil partnership even though this does not apply to the public-sector equality duty.

5.7 Corporate Parenting

5.7.1 Not applicable in the context of this report.

5.8 Consultation and Engagement

5.8.1 Not applicable.

5.9 Insight

5.9.1 Not applicable

6. ENVIRONMENT CONSIDERATIONS

6.1 None

7. BACKGROUND PAPERS

7.1 Guidance around the Board's regulatory duties around Knowledge and Understanding can be accessed [here](#).