

Report To:	GMPF LOCAL PENSION BOARD
Date:	29 March 2018
Reporting Officer:	Sandra Stewart, Director of Pensions Euan Miller, Assistant Director of Pensions (Funding and Business Development)
Subject:	LOCAL BOARD TRAINING
Report Summary	<p>Training is a very important part of the role of Board members and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal obligations and add value in their role.</p> <p>Local pensions board members are required to acquire appropriate “knowledge and understanding” of pension matters, under the Pensions Act 2004. The degree of knowledge and understanding must be <i>“appropriate for the purposes of enabling the individual to properly exercise the functions of a member of a local board”</i>.</p> <p>This report summarises some of the resources available to members to help meet their training requirements and aims to facilitate discussion on how further support can be provided.</p>
Recommendations:	<p>Board members are recommended to:</p> <ol style="list-style-type: none"> i) Note the knowledge and understanding requirements of their role as a Board member; ii) Ensure that they complete the Pensions Regulator’s Public Service Toolkit as soon as possible; iii) Subscribe to pensions news updates from the Pensions Regulator; iv) Consider what further training support would be beneficial for the Board.
Policy implications:	None
Financial Implications: (Authorised by the Section 151 Officer)	Failure to meet any legal requirements may result in financial penalties being imposed.
Legal Implications: (Authorised by the Solicitor to the Fund)	<p>The responsibilities of local boards in the LGPS are set out in the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015.</p> <p>The 2015 Governance Regulations require employer and member representatives to have the “capacity” to represent employers and members respectively. Board members are also required to acquire appropriate “knowledge and understanding” of pension matters, under the Pensions Act 2004.</p>
Risk Management	The purpose of the Local Board is to oversee compliance type activities and to support effective and efficient governance of the Fund. Thus its role is likely to focus on mitigating risks.

ACCESS TO INFORMATION:

NON-CONFIDENTIAL

This report does not contain information which warrants its consideration in the absence of the Press or members of the public.

Background Papers:

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1. INTRODUCTION

- 1.1 The responsibilities of local boards in the LGPS are set out in the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015, which can be accessed via the link below:

http://www.legislation.gov.uk/uksi/2015/57/pdfs/ukxi_20150057_en.pdf

- 1.2 In summary, the role of the Board is to assist Tameside MBC in its role as a scheme manager of the LGPS. In particular, to:
- (a) secure compliance with the Governance Regulations, any other legislation relating to the governance and administration of the Scheme and any requirements imposed by the Pension Regulator in relation to the Scheme and;
 - (b) ensure the effective and efficient governance and administration of the Scheme.

2 REQUIREMENTS OF BOARD MEMBERS

- 2.1 The 2015 Governance Regulations require employer and member representatives to have the “capacity” to represent employers and members respectively. Board members are also required to acquire appropriate “knowledge and understanding” of pension matters, under the Pensions Act 2004. The degree of knowledge and understanding must be “*appropriate for the purposes of enabling the individual to properly exercise the functions of a member of a local board*”.
- 2.2 In general terms, Board members’ breadth of knowledge and understanding should be sufficient to allow them to understand fully and challenge information or advice they are given. Members should be able to identify and where relevant challenge any failure to comply with regulations, other legislation and the requirements of the Pensions Regulator.
- 2.3 The Pensions Regulator’s Code of Practice on the governance and administration of public service pension schemes came into effect on 1 April 2015. Pages 12 to 17 of this document set out the knowledge and understanding required of Board members. The code of practice can be accessed via the link below:
- <http://www.thepensionsregulator.gov.uk/docs/code-14-public-service.pdf>
- 2.4 As a minimum, Board members must be conversant with:
- a) The rules of the Scheme (which are set out in the LGPS regulations)
 - b) Any document recording policy about the administration of the Scheme.
- 2.5 Being conversant with these documents means having a working knowledge so that they can be used effectively by Board members when carrying out their duties.
- 2.6 As the LGPS is a funded scheme, documents which record policy about the administration of the Scheme will also include those related to funding and investment matters.
- 2.7 **Appendix 1** to this report lists the documents with which Board members should be conversant and contains links to the relevant documents.

3 ACQUIRING, REVIEWING AND UPDATING KNOWLEDGE AND UNDERSTANDING

- 3.1 Training is a very important part of the role of Board members and will help to ensure that they have the necessary knowledge and understanding to effectively meet their legal

obligations and add value in their role. Tameside MBC officers will support Board members in undertaking the relevant training.

4 RELEVANT TRAINING RESOURCES

- 4.1 The Pensions Regulator has created a section on its website for those involved in the governance and administration of Public Service schemes such as the LPGS. A link to this area is provided below:

<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>

- 4.2 Within this section is a sub-section entitled 'Knowledge and Understanding Duty on Board members'. This sets out the requirements of Board members in this area and provides links to useful resources to help members in acquiring, reviewing and updating knowledge and understanding.

- 4.3 One of the links is to the Pensions Regulator's 'Quick Guide to Personal Development' which is attached as **Appendix 2** to this document. This provides some useful tips on how members can plan, complete and record their learning.

- 4.4 Via the link below members can subscribe to receive pensions news updates via e-mail from the Pensions Regulator, and it is recommended that Board members subscribe to this if not already done so:

<https://forms.thepensionsregulator.gov.uk/news-by-email/subscribe>

- 4.5 Perhaps most importantly, as agreed at the last Board meeting, all Board members should ensure that they have completed the Public Service toolkit online learning and have provided evidence of this to Tameside MBC Democratic Services. A link to the toolkit is provided below.

<https://education.thepensionsregulator.gov.uk/login/index.php>

- 4.6 In addition to the materials and resources provided by the Pensions Regulator, Board members are invited to the two annual training days provided by the Fund's investment managers, which several of the Board members have been attending.

- 4.7 Board members are encouraged to attend meetings of the Management Panel as observers.

- 4.8 Board members will be notified of other training events which are considered appropriate. Expenses of attending external events will be reimbursed.

5. MONITORING KNOWLEDGE AND UNDERSTANDING

- 5.1 It is expected that the Pensions Regulator will look to increase its monitoring of compliance with the knowledge and understanding requirements and seek to take action against Boards and Scheme Managers that cannot demonstrate compliance.

- 5.2 As discussed at previous meetings, the Pensions Regulator is making significant effort across the pensions industry as a whole to raise standards of governance (see link to 21st Century Trusteeship campaign below). Improving knowledge and understanding forms a key part of this.

<http://www.thepensionsregulator.gov.uk/21st-century-trusteeship.aspx>

- 5.3 To help demonstrate compliance and provide assurance to stakeholders, it is expected that GMPF will continue with its practice of disclosing Panel and Board members attendance at training events in the annual report.
- 5.4 Board members should ensure that Democratic Services is made aware of any training events they have attended.

6. FURTHER SUPPORT

- 6.1 Consideration has been given by officers regarding what support can be provided to assist both Panel and Board members in meeting their training needs. Ideas include:
- Creating a restricted access section of the GMPF website for Panel and Board members which can host a formal knowledge and understanding framework and contain relevant training materials and key fund documents which can be regularly updated.
 - Meeting with Board members individually to assess any gaps in knowledge and understanding (this has been done previously across the Board as a whole) and create individual training plans.
 - Providing summaries of relevant pensions news and development outside of the meeting cycle.
- 6.2 The Board is asked to provide comment on the methods it believe could prove most effective for ensuring knowledge and understanding requirements are met.

7 RECOMMENDATIONS

- 7.1 As set out on the front of the report.