

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

TRAINING – PENSIONS LEGISLATION AND GOVERNANCE	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	AGENDA ITEM NO.
Pensions Committee 24th January 2017		

1. INTRODUCTION

- 1.1 This report introduces the presentation of a training session for Members on Pensions legislation and governance of LGPS funds, which has received increased focus given the responsibilities of the Pensions Regulator (TPR) to oversee public sector pension schemes including the LGPS. The training is also being provided to newly appointed Members of the Pension Board to assist them in understanding their role as a Board to assist the Administering Authority in ensuring compliance with the myriad of regulations and guidance that covers the Local Government Pension Scheme and the London Borough of Hackney Pension Fund.

2. RECOMMENDATIONS

- 2.1 **The Pensions Committee is recommended to note the report.**

3. RELATED DECISIONS

- Pensions Committee 19th September 2016 – TPR Compliance Checklist
- Pensions Committee 27th June 2016 – Self-assessment of advisers
- Pensions Committee 23rd March 2016 – Updated training policy statement

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 For Members to be able to fulfil their role as trustees to the Pension Fund, they need to receive specialist training. The responsibilities for the Pension Fund are complex and varied covering the whole spectrum of investments, administration and financial management and as such it is essential that Members are provided with training in order to be able to exercise their duties. The cost of such training is immaterial in the context of the Pension Fund and many of the training sessions are provided free of charge or the costs are minimal.
- 4.2 Training in all aspects of the Pension Fund and the development of an understanding of the factors that will impact on the Fund helps ensure that those charged with governance are able to make effective decisions and understand the financial impact of those decisions.

4.3 The Pensions Committee is responsible for managing the Pension Fund worth over £1.2bn and as such need to ensure that they have the appropriate knowledge and skills to make effective decisions in relation to the assets of the Fund.

5. COMMENTS OF THE DIRECTOR, LEGAL

5.1 The responsibilities given to the Committee in respect of administration of the Pension Fund are both broad and onerous. For example, as quasi trustees of the Pension Fund, Committee Members owe a fiduciary duty to fund members, which imposes the highest standard of care in equity and law. The responsibilities of Members are exercised in a legal framework that is complex and changing. Both training and re-training is reasonably required to enable Members to continue to carry out their responsibilities in the best interests of fund members and this training session is a contributory factor which demonstrates the Committee's desire to meet its obligations.

5.2 There are no immediate legal implications arising from this report.

6. BACKGROUND/TEXT OF THE REPORT

6.1 The training session being provided to Members at the meeting is designed to provide them with the background knowledge around the legislative context for both pensions generally and the LGPS itself, which has a myriad of Scheme specific legislation which is key for Members to understand. Of particular importance are the provisions contained within the LGPS Regulations 2013 and the Public Service Pension Act 2013.

6.2 The training session is also designed to provide Members with an overview of the broader constitutional and governance framework in which they operate and provide an understanding of the impact that the decisions they make can have on the Fund, the Administering Authority, Employing Authorities, scheme members and local taxpayers. Members of the Pension Board, who have also been invited to attend the training session, also need to understand the broad legislative and governance framework in which they operate to fulfil their role in assisting the Administering Authority in ensuring compliance with relevant legislation and guidance.

6.3 The Fund's benefits and governance adviser, AON, will be presenting the training session on the Pensions legislative framework and governance context.

6.4 By following the training programme being provided to Members based on the requirements of the CIPFA Knowledge and Skills Framework, it is anticipated that this will enable Members to fulfil their responsibilities and achieve the requirements of knowledge within the Framework.

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