

## **JOHN RAISIN FINANCIAL SERVICES LIMITED**

### **The Nottinghamshire Local Pension Board**

### **Pension Board Training Proposal** **Pensions Legislation and Pensions Governance**

### **A paper by the Advisor to the Pension Board** **February 2023**

#### **Purpose**

This paper makes proposals in respect of the provision of training by the Advisor to the Board in respect of Pensions Legislation and Pensions Governance. This will provide introductory and overview training in respect of the first two of the eight “core” areas of Knowledge and Skills for Pension Board Members as identified in the CIPFA Knowledge and Skills Framework for Local Pension Boards (2015). This training is essential for those Board Members who have not attended the training on Pensions Legislation and Pensions Governance previously provided by the Advisor to the Board.

#### **Background**

The September 2022 Pension Board meeting received a paper from the Advisor to the Board entitled “Pension Board Training Programme.” This present paper proposes that one of the main sources of proposed training – coverage of the eight “core” areas of Knowledge and Skills be commenced prior to the next scheduled meeting of the Board in June 2023.

There is a legislative requirement for Pension Board Members to have “*knowledge and understanding*” of pensions law and be “*conversant*” with Scheme Regulations and Fund documents as required by the Pensions Act 2004 as amended by the Public Service Pensions Act 2013. However for Pension Board Members to fulfil their role effectively they require knowledge and understanding across a broad range of issues. Consequently guidance relating to Pension Board Members knowledge and understanding has been issued by the Pensions Regulator (Code of Practice No14, 2015) and CIPFA (CIPFA Code of Practice on LGPS knowledge and skills, June 2021, and the CIPFA Local Pension Boards A Technical Knowledge and Skills Framework of July 2015).

The CIPFA Local Pension Boards A Technical Knowledge and Skills Framework of July 2015 is particularly important as it sets out eight “core” areas of Knowledge and Skills for Board Members. It is fundamental that training across

all eight of the core areas in the CIPFA Knowledge and Skills Framework are made available to all Pension Board members. These eight core areas are:

- Pensions Legislation
- Pensions Governance
- Pensions Administration
- Pensions accounting & auditing standards
- Financial markets and products knowledge (including understanding of the importance of the investment strategy)
- Procurement and relationship management
- Investment performance & risk management
- Actuarial methods, standards, and practices

### **Proposed Training**

There have been a number of departures from and more recently appointments to the Nottinghamshire Pension Board since September 2021 when the Advisor to the Board last provided training to meet the CIPFA Knowledge and Skills requirements. Therefore it is proposed that the Advisor to the Board recommence the provision of training to cover the eight “core” areas within the CIPFA framework for Pension Board Members prior to the next scheduled Pension Board meeting scheduled to be held in June 2023.

An understanding of both Pensions Legislation and Pensions Governance is absolutely crucial to a proper and rounded knowledge and understanding of the LGPS as a whole and the role of the Pension Board in particular. Proper understanding of Pensions Administration, Pensions Investment, Actuarial and Accounting, in the context of the LGPS, rely on a clear knowledge of the complex, detailed and specific Legislation and Governance relating to both pensions in general and, especially, the LGPS in particular.

Consequently, it is proposed that a session covering both Pensions Legislation and Pensions Governance be held remotely at a time which is mutually agreeable to both the Advisor to the Board and Board Members who have not attended a previous version of this training. The session will cover two of the eight “core” areas of knowledge and understanding and delivery time is estimated at two hours although a meeting time of two and a half hours is proposed.

This training is essential for those Board Members who have not previously attended the training on Pensions Legislation and Pensions Governance provided by the Advisor to the Board. Board Members who have attended this training previously are welcome to attend as the training will take specific account of recent (2022 and 2023) developments in the LGPS.

**John Raisin**

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John Raisin Financial Services Limited  
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