



The Local Government Pensions Committee  
Secretary: Jeff Houston

## CIRCULAR

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**No. 289 – FEBRUARY 2015**

### **TRAINING EVENT FOR LOCAL PENSION BOARD MEMBERS**

#### **Purpose of this circular:**

1. This Circular has been issued further to Circular 288 in January 2015 to give details of a training event for local pension board members (to be held at several locations), organised by the Local Government Pensions Committee (LGPC).

#### **Background:**

2. The Local Government Pensions Committee is mandated to perform training for administering authorities and employers participating in the LGPS across Great Britain. A variety of training events have been devised and run successfully since 2002 aimed at administering authority pension practitioners (Pension Section staff), those who serve on Pension Committees/Panels (including Elected Members) and also Scheme Employers (predominantly Payroll and HR Staff responsible for the employer function in administering the LGPS).

3. The Shadow Scheme Advisory Board (SSAB) published its guidance last month on the creation and operation of Local Pension Boards for Administering Authorities (see [http://www.lgpsboard.org/images/Guidance/LGPS\\_Board\\_Guidance\\_FINAL\\_PUBLISHED.pdf](http://www.lgpsboard.org/images/Guidance/LGPS_Board_Guidance_FINAL_PUBLISHED.pdf)). That guidance does refer to, at paragraph 6.34, training for board members being made available by the LGPC Secretariat.
4. Responding to this guidance and indeed several requests from administering authorities (particularly as a result of the mandatory nature of knowledge and understanding of local pension board members) the LGPC has organised a one-day event, to be repeated at several locations, to assist local pension board members at the start of their training journey.
5. It is important to understand that the LGPC Secretariat already provides a tried and tested three-day course ("Fundamentals") aimed at elected members sitting on pension committees and has done so for many years. Currently held at three locations across England and Wales, the course runs in October through December each year and seeks to educate delegates on a whole variety of matters including:
  - The LGPS Benefit Framework
  - The LGPS Investment Framework
  - Delivering the Service
  - Valuations & Funding Strategy Statements
  - Corporate Governance
  - Communication Strategies
  - Legal Duties & Responsibilities
  - The future for the LGPS
  - Governance Arrangements
  - Traditional Asset Classes
  - Established Alternative Investments
  - Portfolio Construction
6. The majority of Fundamentals subjects will be pertinent to local pension board members also, and it is expected that some, who have identified knowledge and understanding gaps, will use the 2015 Fundamentals programme, in part or in whole, to make good that gap.

## **Intended Audience**

7. The new one-day event is aimed solely at local pension board members but, as a number of parties have stated they would wish to send an officer whose role is to support the board members, we have decided not to limit attendance to board members only. Delegates must however, appreciate that the material will be aimed at board members.

## **Programme**

8. The purpose of the new one-day event for local pension board members is not to condense Fundamentals into one day, as that is impossible, but to highlight and in brief explain, all the areas of knowledge a board member is expected to have (as espoused in the SSAB's guidance at Schedule B).

To do this we will be using a number of experts in their field drawn from our Fundamentals training partners as follows:

### **Eversheds:**

- Differences between public service pension schemes like the LGPS and private sector trust-based schemes
- An overview of local authority law and how Administering Authorities are constituted and operate
- Data protection (Data Protection Act 1998)
- Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights
- Freedom of Information (Freedom of Information Act 2000)
- Internal dispute resolution
- Reporting of breaches (administering authorities)
- TUPE and outsourcing (including Fair Deal and the Best Value Authorities Staff Transfers (Pensions) Direction 2007)
- Role of Officers of the Administering Authority and Lawyers
- An understanding of the roles and powers of Courts, the Information Commissioner, the Pensions Advisory Service, the Pensions Ombudsman and the Pensions Regulator (including powers in relation to Local Pension Boards)

### **Aon Hewitt**

- Role of the IPSPC and its recommendations
- Key provisions of the 2013 Act
- The structure of the LGPS and the main bodies involved including the Responsible Authority, the Administering Authority, the Scheme Advisory Board, the Local Pension Board and the LGPS employers
- Role of the Local Pension Board, conduct and conflicts, reporting of breaches, Knowledge and understanding, and Data Protection (in the context of LPBs)
- Internal controls
- Role of 'scheme administrator'
- Taxation of benefits, annual and lifetime allowances, and member protections (primary, enhanced, IP etc)
- Administrators – in house v. third party, procurement of services and contracts with third parties

### **Mercers**

- Contracting out (Pension Schemes Act 1993)
- National Insurance and the impact of abolition of contracting out in 2016
- Role of the Fund actuary
- Requirement for triennial and other valuations
- Rates and adjustments certificate
- Funding strategy statement
- Bulk transfers
- Explanation of different types of employers including the additional requirements for admission bodies
- Deduction and payment of contributions and special contributions
- IORP Directive

### **Investec**

- Statements, reports and accounts
- Permitted investments and restrictions on investments
- Statement of investment principles
- CIPFA guidance
- Appointment of investment managers
- Role of the custodian, auditor and investment managers
- VAT and investments
- Financial Conduct Authority (now FCA)

### **Local Government Association**

- LGPS rules overview (including the Regulations, the Transitional Regulations and the Investment Regulations)
- Automatic Enrolment (Pensions Act 2008)
- Pensions sharing on divorce (Welfare Reform and Pensions Act 1999)
- Tax (Finance Act 2004), role of HMRC and registration, and tax relief on contributions
- Role and responsibilities of the Administering Authority including membership and eligibility, benefits and the payment of benefits, decisions and discretions, disclosure of information and record keeping
- Employer decisions and discretions
- Redundancies and restructuring (including the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006)

9. It is hoped that the initial one-day “kick-start” event will assist board members in a variety of ways including identifying training needs and affirming their understanding in other areas. It should be of particular assistance in the completion of a training needs analysis and the presentation slides and hand-outs will be in a supporting format for this task.

## **Dates and Locations**

10. The dates and locations are as follows:

21 May	<a href="#">London</a>	Local Government House
28 May	<a href="#">Liverpool</a>	Marriott Hotel
4 June	<a href="#">Leeds</a>	Marriott Hotel
9 June	<a href="#">Cardiff</a>	Radisson Blu Hotel

These locations have been selected following the response to the call for expressions of interest in Circular 288.

## **Cost and booking**

11. The delegate rate for each workshop, inclusive of lunch, refreshments and all delegate materials is £240 plus VAT at the standard rate.
12. Early booking is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Association website at <http://www.local.gov.uk/> for your ease of reference there is a hyperlink at each location which will take you directly to the booking page.
13. If the session at your preferred location is full and you do not wish to book on one at an alternative location, please email [Elaine.english@local.gov.uk](mailto:Elaine.english@local.gov.uk) with your details. It is important to do so as, not only will you have a priority warning should any cancellations occur, but it also enables the LGPC to judge demand for future events or, on occasion, organise overflow events.
14. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPS Executive Officer, by email [elaine.english@local.gov.uk](mailto:elaine.english@local.gov.uk)

## **ACTIONS FOR ADMINISTERING AUTHORITIES**

15. Administering Authorities are urged to bring this Circular to the attention of all Pension Committee/Panel members, members of the new local pension boards and those who attend/advise the meetings, sub-committees etc.

**Tim Hazlewood**  
**Pensions Training and Development Manager**  
**February 2015**

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