

Sixty second summary

21st Century Trusteeship - chapter 4 – here's why Pink Floyd were wrong

It may be a leap from the Pensions Regulator to Pink Floyd, but it is Pink Floyd that we think TPR had on its mind when it issued the latest chapter of its 21st Century Trusteeship saga. Perhaps this chapter was considered to be simply “another brick in the wall” - but in a change to Pink Floyd’s message it was one that said “we **do** need education” rather than not!

What is “21st Century Trusteeship”?

As set out in our previous summary of the first three chapters¹, towards the end of 2017 TPR launched its 21st Century Trusteeship campaign with the stated aim of driving up standards of governance in pension schemes and ensuring better outcomes for scheme members.

The campaign is the latest move from TPR as it looks to set out what it wants from you and increases its boldness when going after people who do not meet its expectations. Under the 21st Century Trusteeship banner, TPR will issue a series of communications making absolutely clear to those responsible for managing pension schemes what the expected standards look like – see here [TPR's website](#).

“[21st Century Trusteeship campaign] delivers our message in terms of being clearer, quicker and tougher with trustees and with that comes the possibility that if they don't meet those expectations, that we will take enforcement action against them².”

For LGPS funds, 21st Century Trusteeship is a great framework to raise attainment levels within pension committees and local pension boards.

What is in the latest chapter?

TPR's latest instalment focuses on the key area of training and making sure that those who are responsible for governing and running pension schemes are up to the job. There are many similarities with the earlier chapters in that:

- the campaign continues to have a private sector feel to it (though TPR has repeatedly stressed that 21st Century Trusteeship covers the governance of the public sector too)
- there is not much rocket science here – simply reminders of what good training is all about (regular assessments, gap analysis, etc.) and some more light sabre rattling

¹ <https://www.hymans.co.uk/news-and-insights/research-and-publications/publication/21st-century-trusteeship-ignore-at-your-peril/>

² Anthony Raymond, Acting Executive Director of Regulator Policy.

So what do I do with this latest bedtime reading from TPR?

Few would argue with anyone saying that ensuring people have the right skills for their job is a key part of good governance. It only takes one ill-informed decision or one bad mistake for the danger of poor training to hit home. In the very public world of the LGPS, any front page news of an adverse nature is to be avoided at all costs.

We, along with many others, have for a long time both been stressing the importance of upskilling the LGPS and been supporting LGPS funds as they look to address a whole range of training needs. We have a team experienced in delivering training in every aspect of the LGPS, including CIPFA's knowledge and skills framework, the TPR's own Code of Practice and everything beyond. If you want to discuss how we can help your pension board or committee, just pick up the phone

We'd initially recommend that officers use this instalment as a reminder to revisit training plans over the next few years and ensure that these plans focus on your committee and pension board having the right skills to do what is expected of them. This may be strategic – deciding your strategy or implementing it through your business plan. Alternatively, it may be more operational and relate to the day job - making sure that there are no barriers to your ABSs going out on time. Whatever area it is, it is worth noting that not only will TPR expect appropriate skills to be in place for everyone, they will also expect you to be able to evidence this.

Perhaps, an interesting approach would be for funds to investigate to what extent those involved in their LGPS fund are confident that they have the skills to carry out their LGPS duties. Are they comfortable? Even if the answer is yes, TPR will still be expecting to see a robust training plan that builds on the good work already done. Using the line "we don't need no education" won't cut it.

In help answer this, we have recently developed a confidence assessment questionnaire for LGPS Committees/LPBs which will shine a light on the real levels of members' confidence in their roles.

If you have any questions or concern in the area of training and skills assessment, or indeed on anything from this latest chapter in TPR's 21st Century Trusteeship campaign, then don't hesitate to get in touch at the numbers below.

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