

REPORT TO:	Pension Committee 13 September 2022
SUBJECT:	Training Plan and Review of Committee and Board Training
LEAD OFFICER:	Matthew Hallett, Acting Head of Pensions and Treasury
CORPORATE PRIORITY/POLICY CONTEXT: Sound Financial Management: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund (“the Fund”).	
FINANCIAL SUMMARY: Financial risks relating to the Pension Fund are substantial and can impact on the General Fund of the Council.	
<p>1. RECOMMENDATION</p> <p>1.1 The Committee is asked to note the contents of the joint Pension Committee and Pension Board Training Log and Training Plan.</p>	

2. EXECUTIVE SUMMARY

- 2.1 This report advises the Committee of training undertaken by the Pension Board and Pension Committee members since January 2021 and asks them note the proposed joint Pension Committee and Pension Board training plan for 2022/23.

3. DETAIL

- 3.1 In their 2019 governance review Aon recommended that the scope of the Knowledge and Skills Policy be extended to the Pensions Committee and Officers, as well as the Pensions Board. They further recommended that the policy should incorporate knowledge of the work of the London Collective Investment Vehicle (London CIV) and have regard to CIPFA guidance. The policy was agreed on 17 March 2020 (Minute 26/20). This policy has since been reviewed and the revised version was agreed by the Committee in their meeting of 14 June 2022.
- 3.2 Following the introduction of Markets in Financial Instruments Directive (MiFID II) in January 2018, in order to be treated as a professional client (rather than a retail investor) a Fund, as a collective, must be able to demonstrate sufficient expertise, experience and knowledge to satisfy financial institutions that it is capable of making investment decisions and understanding the nature of potential risks by ensuring that levels of expertise, experience and knowledge are maintained to satisfy the MiFID II requirements.

- 3.3 All officers and Pension Committee Members charged with management. Operations and decision-making with regard to the Fund must be fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them. All members and officers are expected continually to demonstrate their personal commitment to training and to ensuring that the knowledge and skills objective is met.
- 3.4 The CIPFA Knowledge and Skills Framework was updated in 2021 eight areas of knowledge and skills identified as the core requirements:
- pensions legislation;
 - pensions governance;
 - pension accounting and auditing standards;
 - pensions administration;
 - pension services procurement and relationship management;
 - investment performance and risk management;
 - financial markets and products knowledge; and
 - actuarial methods, standards and practice.

The CIPFA requirements for Pension Board members, Committee members and Officers are attached as appendices to the Knowledge and Skills Policy as approved at the Pension Committee meeting of 14 June 2022.

- 3.5 Members of the Committee had previously asked for a job description of their role to be provided. There is no standard document available as the role of the Committee is as defined in the Constitution and will be different for every Local Authority to reflect their individual structures. However, officers have created a document giving an overview of the role based on Croydon's constitution, as well as statutory, regulatory, CIPFA and SAB requirements, along with details of the Pension Board responsibilities (attached as Appendix D)
- 3.6 This report provides the Committee with a summary of the training undertaken by the Pension Board and Pension Committee since January 2021 (attached as Appendix A). Update reports on uptake of training opportunities by members of the Pension Board and Pension Committee will be presented at every Pension Board and Pension Committee Meeting.
- 3.7 This report provides the Committee with the proposed joint training plan for the Pension Board and Pension Committee for 2022/23 (attached as Appendix B) and an information document explaining the requirements (attached as appendix C)
- 3.8 This report provides the Committee with a standard feedback form for members of the Pension Board and Pension Committee to complete and forward to officers on completion of every training event attended by Pension Board and Committee members (attached as appendix E). This will confirm that the event was attended and will be recorded on the training log. If members do not inform officers of attendance at training events then details cannot be recorded on the log.

3.9 Members of the Pension Board and Pension Committee will be asked to take part in the National Knowledge Assessment run by Hymans which will take place in September and October 2022. This will involve the completion of a multiple choice questionnaire which assess knowledge across all areas of Fund management. The results will inform provision of further training opportunities.

4. CONSULTATION

4.1 The Knowledge and Skills Training Policy has been agreed by Committee. This is reviewed every 3 years by the Pension Committee. The Aon governance review recommendations and CIPFA knowledge and skills requirements as well as action points from Board and Committee minutes have been incorporated into the plan.

5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1 There are no financial considerations arising from this report.

Approved by: Alan Layton on behalf of Jane West, Corporate Director of Resources
(Section 151 Officer)

6. LEGAL CONSIDERATIONS

6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Pension Committee's Terms of Reference (London Borough of Croydon's Constitution Part 4.N) Paragraph 7. **Knowledge and Understanding** provides that: *Members of the Committee are expected to continually demonstrate their own personal commitment to training and to ensure that governance objectives are met. To assist in achieving these objectives training sessions will be organised to ensure Committee members are familiar with the rules of the Fund with relevant legislation.*

6.2 In addition, similar training and knowledge obligations are placed on the Local Pension Board members ("LPB Members") both under the Public Service Pensions Act Schedule 4 Clause 19 amendment of the Pensions Schemes Act 1993 and as detailed in Part 4 M of the Constitution which provides, among other matters, that both Employer and Employee representatives participate in training as and when required. In addition, section 12 of Part 4M specifically deals with training requirements and provides as follows:

"12.1. Employer and Member Representatives (including substitutes) of the LPB must be conversant with – a. The legislation, Scheme Regulations and associated guidance of the LGPS; b. Any document recording policy about the administration of the LGPS (which is for the time being adopted by the Fund).

12.2. All members of the LPB must have a working knowledge and understanding of:

- a. The law relating to pensions, and
- b. Any other matters which are prescribed in Scheme Regulations.

12.3. It is for the Scheme Manager (this is the Administering Authority) to be satisfied that those appointed have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the LPB or Committee.

12.4. In line with the duties under their role, the LPB and Committee members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date on anything that would fall within the remit of their role. Members are therefore required to maintain a written record of all relevant training and development (whether internal or external) they have undertaken. In the event that members wish to attend an external course/training event prior approval must be sought from the Scheme Manager. All information in relation to training and development of all members shall be made available to the Board and Committee as part of the Review Process. In addition, the Scheme Manager may, at any time request to inspect such records upon providing the relevant member with a written request which must be adhered to within 7 days of receipt of such a request. 1

2.5. All members will undertake an annual personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses as well as mandatory training that the Board or Scheme Manager considers is required to ensure the Board and Committee operates as effectively as possible. Members will comply with the Scheme Manager's training policy, details of which are found in the separate document titled "London Borough of Croydon Pension Fund Knowledge and Skills / Training Policy".

Burges Salmon LLP (a law firm appointed by the Fund) note that there are no other legal implications arising from this report

7. HUMAN RESOURCES IMPACT

7.1 There are no direct workforce implications arising from the recommendations within this report.

Approved by: Gillian Bevan, Head of Hr, Resources and Assistant Chief Executives on behalf of Dean Shoemith, Chief People Officer

8. EQUALITIES IMPACT

8.1 The council has an obligation under the Public sector equality duty, which is to eliminate unlawful discrimination, to advance equality of opportunity and to build better relationships between groups with protected characteristics.

No negative impacts have been identified amongst groups with protected characteristics because the training is mandatory. In cases where a person may have a disability reasonable adjustment will be made for access to the training where necessary.

Approved by: Gavin Hanford, Director of Policy, Programmes & Performance

9. ENVIRONMENTAL IMPACT

9.1 There are no environmental impacts arising from this report.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1 There are no crime and disorder impacts arising from this report.

11. DATA PROTECTION IMPLICATIONS

11.1 Will the subject of the report involve the processing of 'personal data'?

No.

Has a data protection impact assessment (DPIA) been completed?

No. This report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Alan Layton on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

CONTACT OFFICER:

Matthew Hallett, Acting Head of Pensions and Treasury

BACKGROUND DOCUMENTS:

None

APPENDICES:

Appendix A: Summary of Training Undertaken

Appendix B: Proposed Training Plan

Appendix C: Training Plan Information Document

Appendix D: Committee and Board Roles Document

Appendix E: Feedback Form