



Croydon Training Activity and Plan

Local Pension Board paper 17 January 2024

This paper sets out analysis undertaken by Aon relating to the training requirements for the London Borough of Croydon's Pension Fund ("the Fund") for 2024/25 and highlights observations from the recent Pension Committee meeting in December 2023.

At a glance...

Fund Officers asked Aon to review the results of the National Knowledge Assessment provided to the Fund in December 2022, and to consider relevant hot topics and emerging areas of training required and to suggest updates for your Fund training plan in 2024/25. This paper sets out our views on these areas, puts forward several recommendations and sets out a draft Training Plan for 2024/25 for consideration.

Aon has also reflected on the comments shared by Pension Committee members on this subject at the Pension Committee meeting held 12 December 2023. The Fund's Local Pension Board is asked to consider the information set out in this paper.

Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Knowledge and Skills Framework 2021 states that "Governance can be defined as a combination of the process of decision making, the means by which strategies and policies are decided, how those are implemented and delivered, and continuously monitoring the outcomes, including understanding the inherent risks." The importance of training and appropriate knowledge and skills for Pension Boards, Pensions Committees and Senior LGPS Officers to ensure that governance is effective is becoming increasingly evident as seen in the recommendations of the Scheme Advisory Board's (SAB) Good Governance Review (2021) as well as reference to Training / Knowledge and Skills Policies in the recent Department of Levelling Up, Housing and Communities (DLUHC) LGPS Pooling Consultation (which closed October 2023).

Contents

Training activity analysis	3
December 2023 Pension Committee discussion	7
Recommended actions	8
Appendix A – National Knowledge Assessment Report 2022	9
Appendix B – Draft 2024 Training Plan	10

Why bring you this paper?

This paper sets out Aon's analysis of training requirements for the Fund and sets out a number of recommendations in this area as well as a draft Training Plan for 2024/25 for consideration.

Next steps

The Board is asked to:

- Consider the areas raised in this paper, and
- Identify any further areas that should be added to the draft Training Plan for 2024/25.

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Date: 8 January 2024

There are a number of strands to managing and delivering training for all LGPS Funds. The CIPFA Knowledge and Skills Framework 2021 refers to “the need to have in place **formal and comprehensive objectives, policies and practices, strategies and reporting arrangements to effectively acquire and retain LGPS knowledge and skills** for those in the administering authority responsible for management and decision making”.

Aon was asked to consider the training needs of the Fund’s Pension Committee, Pension Board and Senior Officers for 2024 with specific requirements to consider:

- Review the findings of the National Knowledge Assessment (report dated December 2022) which the Fund took part in during 2022. (See appendix A provided as a separate document).
- Consider relevant hot topics and emerging areas of training required and to suggest updates for your Fund training plan in 2024/25.
- Consider how training is undertaken and in particular the engagement with the Fund’s online platform, LOLA.

In addition, a discussion took place at the Pension Committee’s last meeting on 12 December 2023 about training and Aon has provided some observations relating to the areas raised in the paper below.

There are a number of recommendations which Aon suggests the Board and Officers consider in order to progress this area further.

Training activity analysis

The section details Aon's assessment of the Fund's training activity.

National Knowledge Assessment

We were asked to review the findings of the LGPS National Knowledge Assessment which the Fund took part in during 2022 to identify any training requirements which emerged from the findings. The Fund was one of 16 LGPS funds which took part in the exercise, where the responses of Board and Committee members determine a score for the Fund against the CIPFA eight core technical areas. These areas include:

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment strategy, asset allocation, pooling, performance and risk management
- financial markets and products
- pension services procurement, contract management and relationship management.

We have summarised the findings of the 2022 report below. We suggest that any areas scoring below 50% for either the Board or the Committee are included as part of the 2024/25 Training Plan to ensure they are addressed. We also suggest that any areas where the Board or the Committee is below the average level of knowledge are also included as part of the 2024/25 Training Plan.

In the table below it sets out in red areas below 50% and in amber areas that are below average. These are the areas we suggest form part of the 2024/25 Training Plan.

Croydon Fund's National Knowledge Assessment Findings 2022

	Board	Average Board
Pensions Accounting and Audit Standards	36%	43%
Investment Performance and Risk Management	39%	51%
Pensions Governance	61%	73%

What is the National Knowledge Assessment?



The LGPS National Knowledge Assessment is a report provided by Hymans Robertson to provide insight into the knowledge and skills of the Fund's Committee and Board and give the Fund a 'sense check' of its position against other participating funds.

In 2022 the Fund took part alongside 15 other Funds and the findings were reported in December 2022.

	Board	Average Board
Actuarial Methods, Standards and Practices	61%	70%
Procurement and Relationship Management	61%	56%
Financial Markets and Product Knowledge	64%	58%
Committee Role and Pensions Legislation	64%	64%
Pensions Administration	67%	64%

Source: National Knowledge Assessment Report December 2022

	Committee	Average Committee
Pensions Accounting and Audit Standards	24%	33%
Pensions Administration	29%	49%
Procurement and Relationship Management	30%	50%
Investment Performance and Risk Management	39%	46%
Committee Role and Pensions Legislation	41%	48%
Financial Markets and Product Knowledge	45%	61%
Actuarial Methods, Standards and Practices	47%	57%
Pensions Governance	58%	62%

Source: National Knowledge Assessment Report December 2022

Recommended action

That the Fund ensures all current Committee Members, Reserve Committee Members and Board Members obtain training in areas highlighted as red and amber above, through the LOLA Online Training Platform.

Hot topics 2024/25

In the draft Training Plan at **Appendix B** we set out a number of areas including:

1. Equality, Diversity and Inclusion
2. Conflict of Interest the Fund wide Policy has been approved)

3. LGPS Pooling update (covering implications from the recent LGPS Pooling consultation response)
4. TCFD/Carbon Foot printing
5. Cost Management Process
6. Pensions Dashboards

In addition to the above, given the areas that we expect to emerge or develop over 2024, we also suggest including:

7. TPR General Code requirements (suggest as a minimum the Board and Committee are provided with a training session to explain new areas of the Code and how the Fund will assess and demonstrate compliance)
8. Business Planning (noting Good Governance/TPR requirements)
9. Scams/Fraud

Recommended action

Incorporate areas listed above in 2024/25 Training Plan.

Delivery of training

Training can be delivered in a number of ways. The main ways for the Fund include internally in advance of Board and Committee meetings; training from Advisors, London CIV, and fund managers; and through the Online Training Platform (LOLA) as well as external events. We set out more on these final two areas below.

Online Training Platform

In December 2023's update to the Committee on training it was confirmed that only 1 Committee member and no Reserve Committee members have completed or started the modules on the on-line training platform (LOLA). 3 of the 6 Board members had started or completed training to 30 December 2023. Login details were re-sent by Hymans and reminder emails were sent by officers to all members encouraging engagement.

Aon suggests the Fund consider alternative ways of supporting Members with the learning platform. For example, bringing the Committee and Board members who need to complete modules together (in person) to run a session (potentially 1/2 day) with the aim to improve the completion rate and improve knowledge and skills. We understand LOLA is likely to be updated ahead of April 2024 so perhaps setting a date after April 2024 for this session to ensure you are using the latest release on the platform would be best. Officers and Aon are currently working together to review how LOLA can be used in a more targeted way to better relate to the individual needs and knowledge levels of members.

Recommended action

To bring the Committee and Board members who need to complete LOLA modules together (in person) to run a session (potentially 1/2 day after April 2024) with the aim to improve online training completion rate and improve knowledge and skills.

External events

The Fund does share details of external events (training and conferences) with Committee and Board members. We have added these to the Training Plan in **Appendix B**. Members are regularly made aware that they need to notify Fund Officers of all training they have undertaken.

Members are made aware via the training plan, reports and email updates of which training events are compulsory and which events are optional for them, to attend.

Recommended action

Members to ensure Fund officers are notified of any training they undertake in order for it to be added to the Fund training log.

Induction Training

It is important that Democratic Services keep Fund Officers advised of new appointments to the Committee in order that Fund induction training can be provided as soon as possible.

Recommended action.

Fund Officers to liaise with Democratic Services to ensure early notification of changes to membership of the Committee.

Knowledge and Skills Policy

The latest Knowledge and Skills Policy was approved by the Committee in 2020 (with a 2022 update to reflect CIPFA's latest Framework and Code). Aon has reviewed the document and made some suggested changes for Officers to consider at the next review.

Recommended action

Consider updating this Policy for review by the Board and then approval by the Committee in due course.

December 2023 Pension Committee discussion

At the December 2023 Committee meeting there were a number of items raised by Committee members.

Areas covered

Discussion regarding training activity took place including:

- A request for greater clarity on how information on external training is recorded and who should receive updates. Officers confirmed they provide this information regularly at Committee and Board meetings and via reports.
- The Online Training Platform (LOLA) viewed as less relevant by some Members who feel they have sufficient induction type training and LOLA viewed as difficult to access for those with less proficient IT skills. Officers are currently working with Aon and Hymans to take this forward.
- Concern over 'blanket approach' and keen to explore mapping exercise to ensure existing knowledge noted. Training Needs Analysis exercise suggested (mentioned individual conversations and scheduling training around those requirements).
- Discussed notice given and challenges of juggling training with other commitments. Officers have confirmed they always endeavour to give members as much notice as possible of upcoming training events. On occasion events may arise at short notice; Officers will try to offer these events to members if they are of benefit but recognising prior planned commitments may prevent take up of these opportunities.

Recommended action

Consider these items as part of training related activity in 2024/25 but recognise that some of these are member actions.

Recommended actions

Summary of the actions set out above.

Summary of actions

Area	Recommendation
Bring core technical areas knowledge up to date for all Members	That the Fund ensures all current Committee Members, Reserve Committee Members and Board Members obtain training in areas highlighted as red and amber from National Knowledge Assessment, through the LOLA Online Training Platform,
Training Plan	Agree 2024/25 Training Plan.
Online Training Platform (LOLA)	To bring the Committee and Board members who need to complete LOLA modules together (in person) to run a session (potentially 1/2 day after April 2024) with the aim to improve online training completion rate and improve knowledge and skills.
Induction Training	Fund officers to remind Democratic Services for the need for early notification of changes to committee membership to allow Fund induction training to be provided as soon as possible.
Knowledge and Skills Policy Update	Consider updating this Policy for review by the Board and then approval by the Committee in due course.
From Pensions Committee feedback	<ul style="list-style-type: none"> ▪ Consider how to get the most engagement by Members with the Online Training Platform (LOLA). ▪ Concern over 'blanket approach' and keen to explore mapping exercise to ensure existing knowledge noted. Training Needs Analysis exercise suggested (mentioned individual conversations and scheduling training around those requirements).

Appendix A – National Knowledge Assessment Report 2022

Provided as a separate PDF document.

Appendix B – Draft 2024 Training Plan

This appendix sets out a training plan covering internal training including hot topics and key areas for the Fund in 2024/25 as well as external events available to Committee and Board members. All Committee and Board members are expected to complete the Online Training Platform modules in LOLA too as part of the Fund’s Training Plan.

Internal Training - Hot topics/awareness

Title of session	Training content	Suggested date	Audience	Additional comments
Conflict of Interest Training	Cover the requirements of the recently approved Fund wide Conflict of Interest Policy	19 March 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	This session needs to take place to ensure everyone is aware of their responsibilities relating to Conflict of Interest
Equality, Diversity and Inclusion	Cover requirements of new TPR guidance in this area (March 2023) and expected aspects of new TPR Code	11 April 2024 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	
New TPR General Code (expected January 2024)	Consider the requirements of the new Code and what actions are needed to assess and demonstrate compliance	May 2024 –stand alone session date to be confirmed	Committee, Board, Senior Officers	Aon will be offering a free webinar to give an overview of new Code but we suggest the Board in particular have a more in depth consideration of the

				requirements (and sit alongside the LOLA updates in this area).
All outstanding LOLA Online Training modules	Hold a ½ day in person session for all those who haven't completed LOLA sessions to do so	TBC – Suggest after April 2024	Committee and Board	Would need own laptop / device to run through their account to ensure credit awarded but suggested training is lead
LGPS Pooling	Looking at changes emerging from the recent consultation due to take effect in 2025	June 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	This may need to link in with London CIV
Pensions Dashboards	Consider requirements of Dashboards and work required ahead of implementation in 2025	July 2024 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	
Task Force on Climate-related Financial Disclosures / Carbon Foot printing	Expecting LGPS requirements to come into force in 2024	September 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	
Cost Management Process Update	Request for update on this process for the Board	October 2024 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	
Business Planning	Ensuring clear understanding of TPR Code and Good Governance requirements	December 2025 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	

Scams/Fraud	Ensuring clear understanding of requirements in this area	January 2025 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	
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Please note that other training items which have not been fully set out above will be provided in addition to the above as required particularly relating to Investment and Funding matters



External events

Title of event	Overview of expected content	Expected Date	Audience	Additional comments
LGA Annual Governance Conference (York and virtual)	See LGPS Governance Conference 2024 Flyer (lgpslibrary.org)	18-19 January 2024	Committee, Board and Senior Officers	
Aon TPR General Code Webinar	Details not yet available	Expected Spring 2024 (subject to new General Code being laid)	Committee, Board and Senior Officers	Overview of the new General Code
LGC Investment Seminar (Carden Park)	See LGC Investment Seminar 2024 (lgcplus.com)	14-15 March 2024	Committee, Board and Senior Officers	
PLSA Local Authority Conference (Gloucestershire)	See Local Authority Conference PLSA	11-13 June 2024	Committee, Board and Senior Officers	
CIPFA Board event	Details not yet available	Normally May	Board members	Networking and engagement event on hot topics for Board members
LGC Investment Autumn (Leeds)	Details not yet available	Normally September	Committee, Board and Senior Officers	
LGA Fundamentals training (London and virtual)	Details not yet available - 3 day induction session	Normally October and November	Committee, Board and Senior Officers	Recommended for new joiners or those needing refresher training

Please note that other external events will take place and be added as they become known to Fund Officers.



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