

LONDON BOROUGH OF CROYDON

REPORT:	PENSION COMMITTEE	
DATE OF DECISION	19 March 2024	
REPORT TITLE:	Pension Committee and Board Training Plan 2024 / 25	
CORPORATE DIRECTOR / DIRECTOR:	Jane West, Corporate Director of Resources (Section 151 Officer)	
LEAD OFFICER:	Matthew Hallett – Acting Head of Pensions and Treasury	
CONTAINS EXEMPT INFORMATION? <i>(* See guidance)</i>	NO	
WARDS AFFECTED:	N/A	

1. SUMMARY OF REPORT

- 1.1 This report asks the Committee to agree the proposed joint Pension Committee and Pension Board Training Plan for 2024/25 which is included in the paper prepared by Aon entitled ‘Croydon Training Activity and Plan’ as Appendix B.

2. RECOMMENDATIONS

- 2.1 To agree the proposed joint Pension Committee and Board Training Plan for 2024/25.

3. REASONS FOR RECOMMENDATIONS

- 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 Committee and Board 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** National Developments such as The Pension Regulator (TPR) New General Code, response to the Department for Levelling up, Housing and Communities (DLUHC) Pooling Consultation, the Scheme Advisory Board (SAB) Good Governance Review and work being undertaken by the SAB's Compliance and Reporting Committee are all expected to impose greater knowledge and skills requirements on officers, Pension Board and Committee members.
- 3.5** The CIPFA Knowledge and Skills Framework was updated in 2021. There are eight areas of knowledge and skills identified as core requirements:
- Pensions legislation
 - Pensions governance
 - Pensions 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.
- 3.6** The members handbook section 7.1 page 88 states the following: Members of some committee (e.g. Planning, Licensing, Audit and **Pensions**) are required to attend training to enable them to carry out their roles.

4. BACKGROUND AND DETAILS

- 4.1** Officers have been working with the Fund governance advisors, Aon, to produce a paper detailing training needs and knowledge gaps in respect of Pension Board and Committee members. Based on those areas identified a training plan for 2024/25 has been developed and is contained within the Aon report.
- 4.2** The training plan addresses the knowledge gaps identified in the National Knowledge Assessment undertaken by members in 2022. One of the recommendations within the Aon report is that members complete the online Hymans training to facilitate this.

4.3 The training plan covers particular topics and is mandatory for members to attend. There is also a table of external optional events which members may want to take up.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 N/A

6. CONSULTATION

6.1 Feedback from Board and Committee members has been incorporated into the plan.

6.2 The Fund governance advisers, Aon, have been consulted and involved in drawing up the plan.

7. CONTRIBUTION TO COUNCIL PRIORITIES

7.1 Ensuring regulatory compliance, good stewardship and best practise are applied to the Council's Pension Fund.

8. IMPLICATIONS

8.1 FINANCIAL IMPLICATIONS

8.1.1. Any costs associated with training are charged to the Pension Fund.

8.1.2. Comments approved by Andrew Lord, Interim Finance Consultant on behalf of Allister Bannin, the Director of Finance. (Date 06/03/2024)

8.2 LEGAL IMPLICATIONS

8.2.1. Burges Salmon LLP (a law firm appointed by the Fund) comment 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.

8.2.2. 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. If 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.

12.5. 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"

8.2.3. Burges Salmon LLP also note that the Pensions Regulator brings into effect the General Code of Practice this month. The General Code does have application to public service pension schemes (including LGPS) although not in all areas (for example not in areas of funding or investment). However, the General Code does apply to knowledge and understanding requirements (see pages 25 – 33 of the General Code in particular). Undertaking training, evidencing training and having a training plan will support the Committee in evidencing compliance with the General Code

8.2.4. Burges Salmon LLP (a law firm appointed by the Fund) note that there are no other legal implications arising from this report (Date 06/03/2024)

8.3 EQUALITIES IMPLICATIONS

8.3.1. Under the Public Sector Equality Duty of the Equality Act 2010, decision makers must evidence consideration of any potential impacts of proposals on groups who share the protected characteristics, before decisions are taken.

8.3.2. Section 149 of the Act requires public bodies to have due regard to the need to:

- Eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act.
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

8.3.3. Protected characteristics defined by law include race and ethnicity, disability, sex, gender reassignment, age, sexual orientation, pregnancy and maternity, and religion or belief

8.3.4. Having due regard means there is a requirement to consciously address the three tenets of the Equality Duty within decision-making processes

8.3.5. By law, assessments must be carried out throughout planning and delivery and contain sufficient information to enable the local authority to show it has paid 'due regard' to the equality's duties; and identified methods for mitigating or avoiding adverse impact on people sharing protected characteristics

8.3.6. This is an update to the existing Policy. The Council will need to ensure that an EQIA with full mitigation is provided regarding the protected groups especially Disability, due regard will be made in cases where persons have a disability, with reasonable adjustments made for access to the training where necessary

8.3.7. Comments approved by Felisha Dussard, Senior Communities Officer on behalf of Helen Reeves, Head of Strategy & Policy (Date 04/03/2024)

8.4 HUMAN RESOURCES IMPACT

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

8.4.2. Comments approved by: Dean Shoemsmith, Chief People Officer. (Date 29/2/2024)

9. APPENDICES

9.1 A National Knowledge Assessment Report 2022

9.2 B Aon Report and Training Plan

10. BACKGROUND DOCUMENTS

10.1 NONE