

REPORT TO:	Local Pension Board 8 July 2021
SUBJECT:	Review of Board and Committee Training Plan
LEAD OFFICER:	Nigel Cook Head of Pensions and Treasury

<p>1. RECOMMENDATION</p> <p>1.1 The Board is asked to note the contents of the Pension Fund Training Plan and to comment as appropriate.</p>

2. EXECUTIVE SUMMARY

- 2.1 This report sets out the proposed training plan for the Pension Board and the Pensions Committee for the current year (2021 to 2022) and invites the Board to comment.

3 DETAIL

- 3.1 In their Governance Review AON Hewitt recommended that the scope of the Knowledge and Skills Policy be extended to the Pensions Committee and Officers, as well as to 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)
- 3.2 Following the introduction of Markets in Financial Instruments Directive (MiFID II) in January 2018, 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. Even though administration of LGPS Pension Funds have an exemption this remains a useful benchmark.
- 3.3 All Officers, Pension Board Members, Pension Committee Members and Reserves charged with the financial administration 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. The levels of knowledge required are SET OUT IN Table 1, as follows:

Table 1: Levels of Knowledge Required by CIPFA Guidance

Technical Area	Officers	Committee	Board
Pensions Legislation LGPS Regulations	C	B	C
Public Sector Pensions Governance	C	B	C
Pensions Administration	E	B	C
Pensions Accounting and Auditing Standards	E	C	C
Financial Services Procurement and Relationship Management	E	C	C
Investment Performance and Risk Management	E	C	B
Financial Markets and Product Knowledge	C	C	B
Actuarial Methods, Standards and Practices	C	C	B

KEY:

Basic Knowledge	B
Conversant (Working Knowledge)	C
Expert	E

All training opportunities take these requirements into account when offered to Pension Board and Committee members.

3.4 The CIPFA technical guidance has a framework of 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.

3.5 The Competency self-assessment matrix responses received from the Board were used to highlight gaps in skills or areas for further development. Three of these areas have been included on the training plan.

3.6 In order to provide greater coverage of the framework areas of knowledge and skills, officers have investigated training options offered by external providers AON Hewitt and Hymans Robertson. Both offerings covered the main aspects of the

knowledge areas. The AON Hewitt offering was restricted to sessions held on particular dates with limited access after the event to those registered who could not attend on the date. The Hymans offering is an on-line interactive application that is accessible at any time. Modules can be completed and reports are provided to Officers for monitoring purposes. The costs of both offerings were broadly comparable, with AON having a cap at £5000.00 and Hymans having a sliding scale of charges depending on how many individuals are covered. It has been decided that 40 licenses will be required at a cost of £6000.00 pa plus VAT. Due to the flexibility of access offered by the Hymans system, along with their plans to add further modules going forward, it was felt that this was a better offering and this is the system that has been chosen.

3.7 Officers are undertaking work to produce a Croydon Specific Induction document to provide to Members of the Pension Board and Committee as required.

3.8 Members of the Committee and Board are required to complete a training attendance feedback form after completing any training or attending any training event which should be sent to the governance team for recording. The form asks members to provide comments and ratings which can be used to inform further training planning.

3.9 All training costs are a charge on the Pension Fund and not the Council.

4 DATA PROTECTION IMPLICATIONS

4.1 Will the subject of the Report involve the processing of “personal data?”

No

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BACKGROUND DOCUMENTS:

None.

Appendix A

Training Plan

