

<b>REPORT TO:</b>	<b>Pension Board 23 March 2023</b>
<b>SUBJECT:</b>	<b>Review of Board Training</b>
<b>LEAD OFFICER:</b>	<b>Matthew Hallett, Acting Head of Pensions and Treasury</b>
<p><b>1. RECOMMENDATION</b></p> <p>1.1 The Board is asked to note the contents of the Pension Board Training Log.</p>	

## **2. EXECUTIVE SUMMARY**

- 2.1 This report advises the Board of training undertaken by the Pension Board members in Year 2022/23 to 28 February 2023 and asks them note the contents of the Logs attached to this report as Appendix A and Appendix B.
- 2.2 The report shows details of the LGPS National Knowledge Assessment 2022 attached as Appendix C and Appendix D to this report.

## **3 DETAIL**

- 3.1 In their 2019 governance review Aon recommended that the scope of the Knowledge and Skills Policy be extended to the Pension Committee and Officers, as well as the Pension 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, Pension Committee Members and Pension Board 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.

3.5 This report provides the Board with a summary of the training undertaken by them in Year 2022/23 to 28 February 2023 (attached as Appendix A and Appendix B).

3.6 Members of the Pension Board and Pension Committee were asked to take part in the National Knowledge Assessment run by Hymans Robertson. This was instead of the annual training needs analysis. It is a national assessment to determine knowledge levels and provide benchmarking data across Funds, as well as information to inform future training required. This was a compulsory item on the Training plan agreed by the Committee at their meeting of 11 October 2022. The participation level of the Board at the close of the exercise was 100%. 1 member of the Committee submitted their responses after the completion of the exercise.

3.7 Hymans Robertson issued a National Report (Appendix C) and a report specific to the Croydon Pension Fund (Appendix D). The report issued by Hymans Robertson shows an average score of 57% for Board members and 39% for Committee members. The average across the 16 Funds that participated in the exercise was 51% for committee members and 60% for Board members. This gives Croydon an overall average score of 45% which puts us 16<sup>th</sup> out of the 16 funds that participated.

3.8 Areas of strength for the Board were Pensions Administration and Financial Markets and Product Knowledge. The Committee were strongest in Pensions Governance and Actuarial Methods, Standards and Practices.

3.9 The area of least strength for both the Board and the Committee was Pensions Accounting and Audit Standards.

- 3.10 Croydon's member engagement in the exercise was 100% for the Board and 58% for the committee (including the reserve committee members), giving an overall Croydon percentage of 68%. This puts us in 11<sup>th</sup> place out of the 16 Funds that participated in the exercise. However, there are around 80 LGPS funds in England and Wales so Croydon was one of only around 20% of Funds who engaged in the exercise.
- 3.11 Hymans have made some recommendations of topics to provide training for. These will be included in our training plan for the coming year. coming year.
- 3.12 Hymans have updated their on-line training provision to reflect the topics covered in the national knowledge assessment. They recommend that members access these modules and repeat the online training annually as items will be continually updated.
- 3.13 Since the last report 3 Board Members attended the Data Dashboard Session run by AON on 12 January 2023 and 2 Board Members attended the LGA Conference on 19-20 January 2023.
- 3.14 The latest report on the Hymans on-line training uptake shows that 4 Board members have completed 1 or more modules and that 3 Board members have started 1 or more modules.
- 3.15 The Board is asked to note the contents of this report.

#### **4. DATA PROTECTION IMPLICATIONS**

- 4.1 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:** Matthew Hallett on behalf of Jane West, Corporate Director of Resources (Section 151 Officer)

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#### **CONTACT OFFICER:**

Matthew Hallett, Acting Head of Pensions and Treasury

#### **BACKGROUND DOCUMENTS:**

None

**APPENDICES:**

Appendix A: Training Log

Appendix B: Log for Completion of Hymans on line training

Appendix C: LGPS National Knowledge Assessment – National Report 2022

Appendix D: LGPS National Knowledge Assessment – Croydon Pension Fund 2022