

# Croydon Council

<b>REPORT TO:</b>	<b>PENSION COMMITTEE</b> 8 July 2014
<b>AGENDA ITEM:</b>	<b>12</b>
<b>SUBJECT:</b>	<b>Training and Support to Elected Members</b>
<b>LEAD OFFICER:</b>	<b>Director of Finance and Assets (Section 151 Officer)</b>
<b>CABINET MEMBER:</b>	<b>Councillor Simon Hall Cabinet Member for Finance &amp; Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: The local government pensions sector is a complex and evolving area so that the maintenance of up to date knowledge and skills is important.	
<b>FINANCIAL SUMMARY:</b> There are no financial considerations directly arising from this report.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	

<b>1.</b>	<b>RECOMMENDATIONS</b>
1.1	The Committee is asked to note this report and to direct officers to structure a programme of training and education as required.

## **2. EXECUTIVE SUMMARY**

2.1 This report details the various options available to elected members to meet their individual and collective requirements to possess appropriate skills and knowledge .

## **3. DETAIL**

3.1 Pension fund investments and the overall management of the Local Government Pension Scheme represent a complex, challenging and constantly changing environment. Best practice, covered by the Scheme regulations, requires that each administering authority signs up to a Knowledge and Skills

Framework, applicable to all decision makers, both officers and elected members. The authority reports on compliance with this Framework in its annual report and compliance with the Myners Principles of good governance is also reported. April 2015 will see the introduction of a national and local Pension Boards. Local Pension Boards will serve as a check to ensure that Pension Committees are adequately resourced, which will include a consideration of whether Pension Committee representatives have sufficient knowledge and skills to execute their functions adequately. Local Pension Boards will report to the National Scheme Advisory Board, which will in turn report to the Secretary of State.

- 3.2 Therefore it is critical that opportunities are provided to officers and elected members to improve and maintain their understanding of the scheme and investment issues in the round. This report describes the options available to meet this requirement.
- 3.3 There are 6 distinct but complementary routes available.
  - 3.3.1 **Local Government Employers course:** this is a three day course, offered over a number of different dates in the autumn and winter. It provides a comprehensive coverage of the areas that Pension Committees consider and represents an excellent introduction to the subject. A number of places have been booked to ensure committee members can access this training. This course is charged.
  - 3.3.2 **Croydon Hymans Robertson Framework:** Croydon has established a single provider Framework for actuarial services and benefits consultancy. The Framework offers a number of opportunities for collaborative working and one such opportunity relates to training for elected members. This is a one day workshop for about 40 councillors from across London with contributions from Hymans Robertson and CIPFA. It has run for two years and by offering places to other Boroughs costs to the Framework are contained. This course presents a condensed version of the 3-day Employers' course. It takes place in the City of London.
  - 3.3.3 **In-house course:** there is the potential to offer a cut-down version of the 3-day course, in house, run by one of the trainers who delivers the Local Government Employers sessions. This would be offered gratis by one of the fund managers.
  - 3.3.4 **Ad hoc sessions at Committee:** In the past fund managers, the Scheme's investment advisors and the Scheme's actuaries have provided training on individual subjects immediately following the business part of the Committee meeting. Subjects have included the triennial valuation, investment strategies, risk budgets and individual products and asset classes. These may be chargeable or complimentary.
  - 3.3.5 **Off-site Fund Manager Engagement:** fund managers are always keen to provide educational sessions about asset classes and products, hosted at their offices or a central location. These are invariably complementary but will be biased towards their house investment philosophy and products. This is not to denigrate their value.

3.3.6 **Industry Sponsored Events:** throughout the year there are fund manager sponsored events. These are of varied relevance and quality. Officers will flag up any that are either particularly pertinent to the work of the Committee or that are otherwise valuable.

3.4 In addition there is a well-established calendar of conferences run by the National Association of Pension Funds, the Local Government Chronicle and CIPFA. These are often residential and as members the authority is often entitled to free places. Others are run as commercial undertakings.

3.5 It is difficult to be prescriptive and Members will need to self-assess their needs but there is a wide range of options to assess training on core subjects. Officers are able to arrange for a formal assessment of the Committee against the Knowledge and Skills Framework if this is considered a worth-while exercise. Attendance on courses and conferences is recorded and monitored.

#### **4. RECOMMENDATIONS**

4.1 This report recommends that the Committee assesses its collective need for training and support. This can be matched by training and education from the sources detailed above to best suit individual's requirements.

#### **5 FINANCIAL CONSIDERATIONS**

5.1 Course fees, where applicable can be charged against the Pension Fund and are a cost of managing the Fund.

#### **6. OTHER CONSIDERATIONS**

6.1 Other than the considerations referred to above, there are no customer Focus, Equalities, Environment and Design, Crime and Disorder or Human Rights considerations arising from this report

#### **7. COMMENTS OF THE SOLICITOR TO THE COUNCIL**

7.1 The Council Solicitor comments that there are no specific legal comments arising from this report

**(Approved by:** Gabriel MacGregor, Head of Corporate Law on behalf of the Council solicitor and Monitoring Officer)

#### **CONTACT OFFICER:**

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Chief Executive's Department, ext. 62552.

**BACKGROUND DOCUMENTS:** none