

# Croydon Council

<b>REPORT TO:</b>	<b>Pension Committee</b> <b>20 June 2017</b>
<b>AGENDA ITEM:</b>	<b>12</b>
<b>SUBJECT:</b>	<b>Training Log</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions and Treasury</b>
<b>CABINET MEMBER</b>	<b>Councillor Simon Hall</b> <b>Cabinet Member for Finance and Treasury</b>
<b>WARDS:</b>	<b>All</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: This report considers an important component of the governance arrangements for the Pensions Committee.	
<b>FINANCIAL SUMMARY:</b> Investment decisions supported by an appropriate level of training and experience should reduce the risk of poor investment decisions and ultimately increase the likelihood of meeting long-term investment goals.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	

## 1. RECOMMENDATIONS

- 1.1 The Committee is asked to note the report

## 2. EXECUTIVE SUMMARY

- 2.1 There is a requirement for Pension Committee members to satisfy themselves that they possess the necessary knowledge and skills for effective decision making. Maintaining a training log ensures transparency and allows monitoring of compliance with this requirement.

## 3. DETAIL

- 3.1 The CIPFA Knowledge and Skills Framework sets out what is required of Pension Committee's members for effective decision making, one of the Myners' Principals that this authority has adopted. The requirement set out by the Framework is that the Council should ensure that:
  - decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to take them effectively and monitor their

- implementation; and
  - those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.
- 3.2 These are necessary but challenging expectations in what is a complex area of activity within a sophisticated web of relationships and interests. Stakeholders range from scheme members (both in employment and retired) and their representatives, employing authorities, government departments, actuaries, auditors, external assessors of various kinds, the press, the pensions industry (including other pension funds), the money markets and, last but by no means least, the taxpayer (local and national).
- 3.3 Members of decision-making bodies have significant responsibilities, both individually and collectively. In regard to investment, for example, members have a fiduciary duty to the fund, scheme members and local council tax payers in relation to the LGPS. They can delegate functions to officers but they retain overall responsibility for the management of the fund and its investment strategy, and for individual decisions about investments.
- 3.4 The 2009 CIPFA guidance on the Myners principles stresses, among other things, the importance of the training and development of members of pension fund committees in local government. It advises that, wherever possible, appointments to the committee should include considerations of relevant skills and experience and continuity. This is desirable, but sometimes difficult to achieve. However, the guidance also stresses the importance of organised and continuous development of members, through regular forward training and development plans and skills and knowledge audits.
- 3.5 The Guidance recommends that the Committee should agree and ensure the provision of a rolling training programme for members, and review progress against the programme and its effectiveness annually. For this Committee this involves a sound grounding in the basics for new members, specific training on topical issues, such as the Actuarial Valuation, advice and guidance from the Fund's investment advisors, and sessions from key post-holders within the governance structures, such as the Pensions Regulator.
- 3.6 The Training Log, which is appended to this report, is an attempt to capture this detail. The final version will form part of the Pension Fund Annual Report. The version attached is a work in progress. One additional area of information that would be valuable would be to include background detail relating to relevant professional experience and qualifications.
- 3.7 The Pension Fund Annual Report will be published in September, 2017.

## **4. RECOMMENDATIONS**

- 4.1 The report recommends that the Committee notes the report

## **5 FINANCIAL CONSIDERATIONS**

5.1 There are no further financial considerations flowing from this report.

## **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 Solicitor to the Council comments that there are no direct legal implications arising from the recommendations within this report.

7.2 (Approved for and on behalf of Jacqueline Harris-Baker, Director of Law, Council Solicitor and Monitoring Officer)

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### **CONTACT OFFICER:**

Nigel Cook, Head of Pensions Investment and Treasury,  
Resources department, ext. 62552.

### **BACKGROUND DOCUMENTS:**

None.

### **Appendix**

Appendix A: Training Log, 2016/2017