

<b>REPORT TO:</b>	<b>Pension Committee</b> <b>16 March 2021</b>
<b>SUBJECT:</b>	<b>Review of Committee and Board Training</b>
<b>LEAD OFFICER:</b>	<b>Nigel Cook Head of Pensions and Treasury</b>
<b>CORPORATE PRIORITY/POLICY CONTEXT:</b> Sound Financial Management: This report forms an important component of the governance arrangements for the stewardship of the Pension Fund (“the Fund”).	
<b>FINANCIAL SUMMARY:</b> Financial risks relating to the Pension Fund are substantial and can impact on the General Fund of the Council.	
<b>FORWARD PLAN KEY DECISION REFERENCE NO.:</b> N/A	
<b>1. RECOMMENDATION</b>	
1.1 The Committee is asked to note the contents of the Pension Fund Training Records and to comment as appropriate.	

## **2. EXECUTIVE SUMMARY**

- 2.1 This report advises the Committee of training undertaken since October 2020 and invites them to make suggestions for future training as they see fit.

## **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 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.
- 3.3 All officers and Pension Committee Members 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.

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 Members of the Committee will be asked to complete a Competency self-assessment matrix (attached as Appendix A) annually to highlight gaps in skills or areas for further development and provide details of any training undertaken. The results will be used to inform the training plan for the coming year. This will be circulated to Members for completion by 31 March 2021.

3.6 This report provides the Committee with a summary of the training undertaken since October 2020 together with details of feedback received (Appendix B). A total of 21.50 hours training has been made available to the Board and Committee for each member to 28 February 2021. Board Members have attended 12 sessions and Committee Members have attended 14 sessions. The percentage uptake, excluding the Pensions Regulator Toolkit, is 25.49% for Board members and 9.8% for Committee members.

3.7 This report provides the Committee with a summary of the training undertaken since October 2020 (attached as Appendix B).

#### **4. CONSULTATION**

4.1 The Knowledge and Skills Training Policy has been agreed by Committee. This is reviewed every 3 years by the Pension Committee.

#### **5. FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

5.1 There are no financial considerations arising from this report.

Approved by: Chris Buss, Interim Director of Finance, Investment and Risk, S151 Officer

## 6. LEGAL CONSIDERATIONS

6.1 The Head of Litigation and Corporate Law comments on behalf of the Director of Law and Governance that the Pension Committees 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.*

6.2 In addition, similar training and knowledge obligations are placed on the Local Pension Board members ("LPB Members") 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 to be satisfied that those seeking to be appointed have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the LPB.

12.4. In line with the duties under their role, the LPB 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. LPB members are therefore required to maintain a written record of all relevant training and development (whether internal or external) they have undertaken. In the event that LPB 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 LPB members shall be made available to the Board as part of the Board 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. 1

2.5. All LPB 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 operates as effectively as possible. LPB members will comply with the Scheme Manager's training policy, details of which are found in the separate document titled "Local Pension Board Training Policy".

Approved by: Sandra Herbert, Head of Litigation and Corporate Law and Deputy Monitoring Officer on behalf of the Interim Director of Law and Governance.

## **7. HUMAN RESOURCES IMPACT**

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

Approved by: Sue Moorman, Director of Human Resources

## **8. EQUALITIES IMPACT**

- 8.1 There are no equalities impacts arising from this report.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 There are no environmental impacts arising from this report.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 There are no crime and disorder impacts arising from this report.

## **11. DATA PROTECTION IMPLICATIONS**

- 11.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

**NO**

The Director of Human Resources comments that this report relates to matters relating to the administration of the LGPS and the Croydon Pension Fund.

Approved by: Sue Moorman, Director of Human Resources

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### **CONTACT OFFICER:**

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

### **BACKGROUND DOCUMENTS:**

None

### **APPENDICES:**

Appendix A: Competency self-assessment matrix  
Appendix B: Training summary