



Croydon Training Activity and Training Plan

Pension Committee paper 19 March 2024

This paper sets out details of the Fund's Training Plan for 2024/25 for approval by the Pension Committee. It also includes a summary of the discussion on training from the December 2023 Pensions Committee, some details on wider developments in the LGPS in this area, and analysis undertaken by Aon relating to the training requirements for the London Borough of Croydon's Pension Fund ("the Fund") for 2024/25.

At a glance...

Fund Officers asked Aon to:

1. Assist with developing a Training Plan for 2024/25 – this is provided below, and the Pension Board considered it at their January 2024 meeting. This includes training on the key "hot topics" expected to require Committee and Board attention over 2024/25, such as the Pensions Regulator's new General Code of Practice.
2. Review the results of the National Knowledge Assessment provided to the Fund in December 2022. For Pension Board members the results of the assessment suggest refresher training is needed on 4 of the 8 CIPFA competency areas, for Pension Committee members refresher training is required in all competency areas. Training to address these particular areas of gaps in knowledge is already readily available on the Fund's online platform LOLA, which members have access to at any time that is convenient to them to use.

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Why bring you this paper?

This paper sets out Aon's analysis of training requirements for the Fund and sets out a number of recommendations in this area as well as the Training Plan for 2024/25 for approval.

Next steps

The Committee is asked to:

- Consider the areas raised in this paper, and
- Approve the Training Plan for 2024/25.

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We also set out comments shared by Pension Committee members on this subject at the Pension Committee meeting held 12 December 2023. The Pension Committee is asked to consider the information set out in this paper and approve the 2024/25 Training Plan.

Introduction

The Chartered Institute of Public Finance and Accountancy's (CIPFA) Knowledge and Skills Framework 2021 states that "Governance can be defined as a combination of the process of decision making, the means by which strategies and policies are decided, how those are implemented and delivered, and continuously monitoring the outcomes, including understanding the inherent risks." The importance of training and appropriate knowledge and skills for Pension Boards, Pensions Committees and Senior LGPS Officers to ensure that governance is effective is becoming increasingly evident. This is clear in the recommendations of the Scheme Advisory Board's (SAB) Good Governance Review (2021) as well as reference to Training / Knowledge and Skills Policies in the recent Department of Levelling Up, Housing and Communities (DLUHC) LGPS Pooling Consultation (which closed October 2023), as well as requirements of the new TPR General Code of Practice and those laid down in the LB Croydon Members Handbook, Section 7.1 page 88 which states:

7.1 Expectations and opportunities

In addition to attending the Member Induction programme, Members are expected to take part in ongoing learning and development activities throughout their term of office, in order to:

- *attend essential training, as required by the Member Code of Conduct;*
- *keep up to date with new insights, legislation and changes to policy and practice;*
- *build up networks and awareness of good practice from elsewhere in the country to inform the Council's continuing improvement.*

Members of some Committees (e.g Planning, Licensing, Audit, Pensions) are required to attend training to enable them to carry out their roles.

There are a number of strands to managing and delivering training for all LGPS Funds. The CIPFA Knowledge and Skills Framework 2021 refers to "the need to have in place **formal and comprehensive objectives, policies and practices, strategies and reporting arrangements to effectively acquire and retain LGPS knowledge and skills** for those in the administering authority responsible for management and decision making".

Aon was asked to consider the training needs of the Fund's Pension Committee, Pension Board and Senior Officers for 2024 with specific requirements to:

- Review the findings of the biennial National Knowledge Assessment (report dated December 2022) which the Fund took part in during 2022. (See appendix A provided as a separate document).

- Consider relevant hot topics and emerging areas of training required and update the Fund training plan in 2024/25.
- Consider how training is undertaken and in particular the engagement with the Fund's online platform, LOLA.

In addition, a discussion took place at the Pension Committee's last meeting on 12 December 2023 about training and Aon has provided some observations relating to the areas raised in the paper below.

There are a number of recommendations which Aon suggests the Committee considers in order to progress this area further.

December 2023 Pension Committee discussion

At the December 2023 Committee meeting there were a number of items raised by Committee members.

Areas covered

Discussion regarding training activity took place including:

- A request for greater clarity on how information on external training is recorded and who should receive updates. Officers confirmed they provide this information regularly at Committee and Board meetings and via reports.
- The Online Training Platform (LOLA) viewed as less relevant by some Members who feel they have sufficient induction type training and LOLA viewed as difficult to access for those with less proficient IT skills. Officers are currently working with Aon and Hymans to take this forward.
- Concern over 'blanket approach' and keen to explore mapping exercise to ensure existing knowledge noted. Training Needs Analysis exercise suggested (mentioned individual conversations and scheduling training around those requirements).
- Discussed notice given and challenges of juggling training with other commitments. Officers have confirmed they always endeavour to give members as much notice as possible of upcoming training events. On occasion events may arise at short notice; Officers will try to offer these events to members if they are of benefit but recognising prior planned commitments may prevent take up of these opportunities.

Recommended action

Consider these items as part of training related activity in 2024/25 but recognise that some of these are member actions.

Wider Knowledge and Skills Developments

There has been recent activity at national level and developments expected in the coming months relating to knowledge and skills which are summarised below.

TPR New General Code

The Pensions Regulator (TPR) published its new General Code of Practice on 10 January which has now been laid in Parliament. It replaces the Code of Practice (no.14) for public service pension schemes (PSPSs) and is expected to come into force on 27 March 2024. This new merged Code contains 51 modules within 5 sections with many areas that were not in the existing PSPS Code of Practice (no.14). A lot of these modules include areas relating to legal requirements that must be adhered to whilst other areas are good practice. There are requirements in this new Code in modules under the section 'Knowledge and Understanding Requirements'. LGPS funds should now be planning how they will assess their compliance with this Code. Officers are reviewing details of compliance assessment tools which are being developed by advisory firms to determine the appropriate approach to assessment of the new Code.

LGPS Pooling Consultation

The Department of Levelling up, Housing and Communities (DLUHC) issued its response¹ to the LGPS (England and Wales): Next steps on investment consultation which took place last summer. In that response Government stated they will implement a requirement in guidance for administering authorities to set a training policy for pensions committee members and to report against the policy.

LGPS Good Governance Recommendations and updated DLUHC Statutory Governance Guidance

The Scheme Advisory Board (SAB) provided DLUHC with recommendations from its Good Governance project in February 2021. Aon understands these are being taken forward by Government including the recommendation 'D1 - Introduce a requirement in the Guidance for key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively'. SAB's Compliance and Reporting Committee which Aon attend have a workstream covering this area. It is anticipated they will consider any new knowledge and skills requirements

¹ See <https://www.gov.uk/government/consultations/local-government-pension-scheme-england-and-wales-next-steps-on-investments/outcome/local-government-pension-scheme-england-and-wales-next-steps-on-investments-government-response> for more details.

emerging from DLUHC as part of any new Statutory Governance Guidance (expected to be consulted on in spring/summer 2024).

Recommended action

Consider developments set out above (and any other developments) when updating Fund training plans and documentation and training activity in 2024/25.

Training activity analysis

The section details Aon's assessment of the Fund's training activity.

National Knowledge Assessment

We were asked to review the findings of the LGPS National Knowledge Assessment which the Fund took part in during 2022 to identify any training requirements which emerged from the findings. The Fund was one of 16 LGPS funds which took part in the exercise, where the responses of Board and Committee members determine a score for the Fund against the CIPFA eight core technical areas. These areas include:

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment strategy, asset allocation, pooling, performance and risk management
- financial markets and products
- pension services procurement, contract management and relationship management.

We have summarised the findings of the 2022 report below. We suggest that any areas where knowledge levels scored below 50% for either the Board or the Committee are included as part of the 2024/25 Training Plan to ensure they are addressed. We also suggest that any areas where the Board or the Committee is below the average level of knowledge are also included as part of the 2024/25 Training Plan.

The table below sets out in red areas where knowledge levels are below 50% and in amber areas that are below the survey average. These are the areas we suggest form part of the 2024/25 Training Plan.

Croydon Fund's National Knowledge Assessment Findings 2022

	Board	Average Board
Pensions Accounting and Audit Standards	36%	43%
Investment Performance and Risk Management	39%	51%
Pensions Governance	61%	73%

What is the National Knowledge Assessment?



The LGPS National Knowledge Assessment is a report provided by Hymans Robertson to provide insight into the knowledge and skills of the Fund's Committee and Board and give the Fund a 'sense check' of its position against other participating funds.

In 2022 the Fund took part alongside 15 other Funds and the findings were reported in December 2022.

	Board	Average Board
Actuarial Methods, Standards and Practices	61%	70%
Procurement and Relationship Management	61%	56%
Financial Markets and Product Knowledge	64%	58%
Committee Role and Pensions Legislation	64%	64%
Pensions Administration	67%	64%

Source: National Knowledge Assessment Report December 2022

	Committee	Average Committee
Pensions Accounting and Audit Standards	24%	33%
Pensions Administration	29%	49%
Procurement and Relationship Management	30%	50%
Investment Performance and Risk Management	39%	46%
Committee Role and Pensions Legislation	41%	48%
Financial Markets and Product Knowledge	45%	61%
Actuarial Methods, Standards and Practices	47%	57%
Pensions Governance	58%	62%

Source: National Knowledge Assessment Report December 2022

Recommended action

That the Fund ensures all current Committee Members, Reserve Committee Members and Board Members obtain training in areas highlighted as red and amber above, through the LOLA Online Training Platform.

Delivery of training

Training can be delivered in a number of ways. The main ways for the Fund include internally in advance of Board and Committee meetings; training from Advisors, London CIV, and fund managers; and through the Online Training Platform (LOLA) as well as external events. We set out more on these final two areas below.

Online Training Platform

In December 2023's update to the Committee on training it was confirmed that only 1 Committee member and no Reserve Committee members have completed or started the modules on the on-line training platform (LOLA). 3 of the 6 Board members had started or completed training to 30 December 2023. Login details were re-sent by Hymans and reminder emails were sent by officers to all members encouraging engagement.

Aon suggests the Fund consider alternative ways of supporting Members with the learning platform. For example, bringing the Committee and Board members who need to complete modules together (in person) to run a session (potentially 1/2 day) with the aim to improve the completion rate and improve knowledge and skills. We understand LOLA is likely to be updated ahead of April 2024 so suggest setting a date after April 2024 for this session to ensure you are using the latest release on the platform would be best. This date will be shared by Fund Officers with members of the Committee and Board in due course. Officers and Aon are currently working together to review how LOLA can be used in a more targeted way to better relate to the individual needs and knowledge levels of members.

Recommended action

To bring the Committee and Board members who need to complete LOLA modules together (in person) to run a session (potentially ½ day after April 2024) with the aim to address the knowledge gaps identified in the National Knowledge Assessment and to familiarise members with the functionality and content of the online training provision. Date to be provided by Officers in due course.

External events

The Fund does share details of external events (training and conferences) with Committee and Board members. We have added these to the Training Plan. Members are regularly made aware that they need to notify Fund Officers of all training they have undertaken, including any training they undertake which they have sourced independently/ externally to that offered by the Fund.

Members are made aware via the training plan, reports and email updates of which training events are compulsory and which events are optional for them, to attend.

Recommended action

Members to ensure Fund officers are notified of all training they undertake in order for it to be added to the Fund training log.

Induction Training

It is important that Democratic Services keep Fund Officers advised of new appointments to the Committee in order that Fund induction training can be provided as soon as possible.

Recommended action

Fund Officers to ask Democratic Services to ensure early notification of changes to membership of the Committee to Pension Officers.

Knowledge and Skills Policy

The latest Knowledge and Skills Policy was approved by the Committee in 2020 (with a 2022 update to reflect CIPFA's latest Framework and Code). Aon has reviewed the document and made some suggested changes for Officers to consider at the next review.

Recommended action

Consider updating this Policy for review by the Board and then approval by the Committee in due course.

2024 Training Plan

Below we have set out a training plan covering internal training including hot topics and key areas for the Fund in 2024/25 as well as external events available to Committee and Board members.

All Committee and Board members are expected to complete the Online Training Platform modules in LOLA as part of the Fund's Training Plan. Members are expected to attend the internal training sessions. If they cannot join the event on the day, either remotely or in person, they will be sent a recording of the session that they can view at a time most convenient to them. They will need to confirm that they have viewed it so that it can be recorded on the training log.

The Pension Committee is asked to approve the 2024/25 Training Plan for the Fund.

Internal Training - Hot topics/awareness

Title of session	Training content	Suggested date	Audience	Additional comments
Conflict of Interest Training	Cover the requirements of the recently approved Fund wide Conflict of Interest Policy	19 March 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	This session needs to take place to ensure everyone is aware of their responsibilities relating to Conflict of Interest
Equality, Diversity and Inclusion	Cover requirements of new TPR guidance in this area (March 2023) and expected aspects of new TPR Code	11 April 2024 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	This session is needed to assist everyone in understanding their responsibilities under the guidance and to enable plans to be agreed to address these requirements.
New TPR General Code (expected January 2024)	Consider the requirements of the new Code and what actions are needed to assess and demonstrate compliance	May 2024 –stand-alone session exact date to be confirmed	Committee, Board, Senior Officers	Aon offered a free webinar (January 2024) to give an overview of new Code. We suggest the Board in particular have a more in-depth consideration of the requirements (and sit alongside the LOLA updates in this area).

Title of session	Training content	Suggested date	Audience	Additional comments
All outstanding LOLA Online Training modules	Hold a ½ day in person session for all those who haven't completed LOLA sessions to do so	<i>TBC</i> – Suggest after April 2024	Committee and Board	Would need own laptop / device to run through their account to ensure credit awarded but suggested training is lead.
LGPS Pooling and Private Debt	Looking at changes emerging from the recent consultation due to take effect in 2025	11 June 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	This will be delivered by the will be delivered by the London CIV.
Cost Management Process Update	Update on this Cost Management process	25 July 2024 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	To understand the requirements of Regulation 116 of the LGPS Regulations 2013 and SAB Cost Management Process to keep the costs of providing benefits within the target cost.
Task Force on Climate-related Financial Disclosures / Carbon Foot printing	Expecting LGPS requirements to come into force in 2024	17 September 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	To assist with reviewing the Responsible Investment Policy and setting a carbon net zero target.
Pensions Dashboards	Share requirements of Dashboards and work required ahead of implementation in 2025	17 October 2024 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	To ensure requirements for Pensions Dashboards are shared with the Board and Committee.
Business Planning	Ensuring clear understanding of TPR Code and Good Governance requirements	10 December 2024 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	To satisfy the requirements of the TPR Code and SAB Good Governance Review in ensuring the Committee and Senior Officer make sure adequate resourcing is available to deliver the Fund Business Plan.
Scams/Fraud	Ensuring clear understanding of requirements in this area	16 January 2025 – ahead of Pension Board meeting (all Committee members to be invited)	Committee, Board, Senior Officers	To give members an insight into existing and new requirements, particularly as detailed in the TPR General Code.
Valuation Training	Training ahead of the 2025 Triennial Valuation	18 March 2025 – ahead of Pension Committee meeting (all Board members to be invited)	Committee, Board, Senior Officers	To set out the requirements of the triennial valuation as at 31 March 2025.

Please note that other training items may be provided in addition to the above as required particularly relating to Investment and Funding matters.

External events

Title of event	Overview of expected content	Expected Date	Audience	Additional comments
PLSA Local Authority Conference (Gloucestershire)	See Local Authority Conference PLSA	11-13 June 2024	Committee, Board and Senior Officers	
CIPFA Board event	Details not yet available	Normally May	Board members	Networking and engagement event on hot topics for Board members
LGC Investment Autumn (Leeds)	Details not yet available	Normally September	Committee, Board and Senior Officers	
LGA Fundamentals training (London and virtual)	Details not yet available – 3-day induction session	Normally October and November	Committee, Board and Senior Officers	Recommended for new joiners or those needing refresher training depending on knowledge and skills analysis results.
LGA Annual Governance Conference (Bournemouth and Virtual)		30-31 January 2025	Committee, Board and Senior Officers	
LGC Investment Seminar (Carden Park)		Mid-March March 2025 – dates to be confirmed	Committee, Board and Senior Officers	

Please note that other external events will take place and be added as they become available.

Recommended actions

Summary of the actions set out above.

Summary of actions

Area	Recommendation
Bring core technical areas knowledge up to date for all Members	That the Fund ensures all current Committee Members, Reserve Committee Members and Board Members obtain training in areas highlighted as red and amber from National Knowledge Assessment, through the LOLA Online Training Platform,
National developments in knowledge and skills	Consider national developments when updating Fund training plans and documentation and training activity in 2024/25.
Training Plan	Agree 2024/25 Training Plan.
Online Training Platform (LOLA)	To bring the Committee and Board members who need to complete LOLA modules together (in person) to run a session (potentially 1/2 day after April 2024) with the aim to address the knowledge gaps identified in the National Knowledge Assessment and to familiarise members with the functionality and content of the online training provision.
Induction Training	Fund Officers to ask Democratic Services to ensure early notification of changes to membership of the Committee to Pension Officers.
Knowledge and Skills Policy Update	Consider updating this Policy for review by the Board and then approval by the Committee in due course.
From Pensions Committee feedback	<ul style="list-style-type: none"> ▪ Consider how to get the most engagement by Members with the Online Training Platform (LOLA). ▪ Concern over 'blanket approach' and keen to explore mapping exercise to ensure existing knowledge noted. Training Needs Analysis exercise suggested (mentioned individual conversations and scheduling training around those requirements). This should be carried out after the completion of the required LOLA modules as that will address many of the knowledge gaps already identified in the National Knowledge Assessment.

Appendix A – National Knowledge Assessment Report 2022

Provided as a separate PDF document.



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