

# LONDON BOROUGH OF CROYDON

<b>REPORT:</b>	<b>Pension Committee</b>	
<b>DATE OF DECISION</b>	<b>19 March 2024</b>	
<b>REPORT TITLE:</b>	<b>Pension Committee Training Update</b>	
<b>CORPORATE DIRECTOR / DIRECTOR:</b>	<b>Jane West, Corporate Director of Resources (Section 151 Officer)</b>	
<b>LEAD OFFICER:</b>	<b>Matthew Hallett – Acting Head of Pensions and Treasury</b>	
<b>CONTAINS EXEMPT INFORMATION?</b>	<b>NO</b>	<b>[Public]</b>
<b>WARDS AFFECTED:</b>	<b>N/A</b>	

## 1. SUMMARY OF REPORT

- 1.1 This report shows a record of training undertaken by the Pension Committee members in Year 2023/24 to 20 February 2024. The report includes a log of training undertaken attached to the report as Appendix A and a log of training completed accessed through the Hymans Robertson training portal to 31 January 2024 attached to this report as Appendix B

## 2. RECOMMENDATIONS

Each Pension Committee Member is recommended:

- 2.1 To review the training log to ensure it is an accurate record of training undertaken
- 2.2 To advise Officers to update the log for any training not recorded.

## 3. REASONS FOR RECOMMENDATIONS

- 3.1 To ensure an accurate record of training is kept helping demonstrate good governance.

## 4. BACKGROUND AND DETAILS

- 4.1 In their 2019 governance review Aon 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 current policy was agreed by the Committee in their meeting of 14 June 2022.

- 4.2** Following the introduction of the Markets in Financial Instruments Directive (MiFID II) 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
- 4.3** All officers and Pension Committee Members charged with management operations and decision-making with regard to the Fund must have 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.
- 4.4** 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
  - Pensions accounting and audit standards
  - Pensions administration
  - Pension services procurement and relationship management
  - Investment performance and risk management
  - Financial markets and products knowledge
  - Actuarial methods, standards and practice
- 4.5** In line with the Scheme Advisory Board (SAB) Good Governance Review recommendations, the training log shows training hours completed and the knowledge area covered by the training.
- 4.6** There have been 16 training events open to one or more members of the Committee in the current year to 20 February 2024, Mercers ESG session, SAB Code of Transparency, PLSA LGPS Conference, LGA Fundamentals Day 1 In Person, PLSA Annual Conference, Cyber Training, SPS LGPS Sustainable Investment , LGA Fundamentals Day 1 On-line, LGA Fundamentals Day 2, In Person, Cyber Security and Data Protection Summit, LGA Fundamentals Day 2 On line Person,. LGA Fundamentals Day 3 In person, LGA Fundamentals Day 3 On line, Investment Training, LGA Governance Conference and CIV Fixed Income Session.
- 4.7** Members are reminded to inform Pension Officers of any training they undertake, including the number of hours the event covered so that this can be recorded in the log.
- 4.8** The latest report on the Hymans on-line training uptake shows that 1 Committee member and no Reserve Committee members have completed any of the modules and 1 Committee member and no reserve Committee members have started any of the modules. Login details were resent by Hymans and reminder emails were sent by officers to all members encouraging them to engage with the learning platform.

- 4.9** The platform is accessible at any time that is convenient and for as little or as long as required. Progress will be saved so that whole modules do not have to be completed at once. Hymans have provided details of the time each module takes to be completed as follows:

Introduction module – 2 mins
Current issues – 1 hr and 11 mins (total)
Module 1 – 27mins (total)
Module 2 – 50 mins (total)
Module 3 – 51 mins (total)
Module 4 – 11 mins (total)
Module 5 – 11 mins (total)
Module 6 – 50 mins (total)
Module 7 – 31 mins (total)
Module 8 – 53 mins (total)

This is a useful source of information and Members are asked to log in and look at the material available on this resource.

- 4.10** In line with the training plan being presented to the Committee on 19 March 2024, Officers are planning to run sessions for members to attend to focus on completing the outstanding Hymans modules. This will address some of the gaps in knowledge identified in the National Knowledge Assessment.

## **5. CONSULTATION**

- 5.1** The Knowledge and Skills Training Policy has been agreed by Committee. This is reviewed every 3 years by the Pension Committee. The Aon governance review recommendations and CIPFA knowledge and skills requirements as well as action points from Board and Committee minutes have been incorporated into the plan.

## **6. CONTRIBUTION TO COUNCIL PRIORITIES**

- 6.1** Ensuring regulatory compliance, good stewardship and best practise are applied to the Council's Pension Fund.

## 7. IMPLICATIONS

### 7.1 FINANCIAL IMPLICATIONS

7.1.1. There are no direct financial implications arising from this report.

7.1.2. Comments approved by Andrew Lord, Interim Finance Consultant on behalf of Allister Bannin, the Director of Finance. (Date 06/03/2024)

### 7.2 LEGAL IMPLICATIONS

7.2.1. Burges Salmon LLP (a legal advisor appointed to the Pension Fund) note that the Pension Committee's 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

7.2.2. In addition, similar training and knowledge obligations are placed on the Local Pension Board members ("**LPB Members**") both under the Public Service Pensions Act 2013 Schedule 4 Clause 19 amendment of the Pensions Act 2004 and 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 (this is the Administering Authority) to be satisfied that those appointed have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the LPB or Committee

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

12.5. All 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 and Committee operates as effectively as possible. Members will comply with the Scheme Manager's training policy, details of which are found in the separate document titled "London Borough of Croydon Pension Fund Knowledge and Skills / Training Policy".

**7.2.3.** Burges Salmon LLP also note that the Pensions Regulator brings into effect the General Code of Practice this month. The General Code does have application to public service pension schemes (including the LGPS) although not in all areas (for example not in areas of funding or investment). However, the General Code does apply to knowledge and understanding requirements (see pages 25 – 33 of the General Code in particular). Undertaking training, evidencing training and having a training plan will support the Committee in evidencing compliance with the General Code.

**7.2.4.** Comments approved by Burges Salmon LLP. (Date 06/03/2024)

### **7.3 EQUALITIES IMPLICATIONS**

**7.3.1.** The Council has a statutory duty to comply with the provisions set out in Sec 149 of the Equality Act 2010. The Council must therefore have due regard to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

**7.3.2.** There are no equality implications arising from this report. Any training developed will be accessible to support committee members. Due regard will be made in cases where persons have a disability, with reasonable adjustments made for access to the training where necessary.

**7.3.3.** Comments approved by Felisha Dussard, Senior Communities Officer on behalf of Helen Reeves, Head of Strategy & Policy. (Date 04/03/2024)

### **7.4 HUMAN RESOURCES IMPACT**

**7.4.1.** There are no direct workforce implications arising from the recommendations within this report. If any should arise these will be managed under the Council's HR policies and procedures.

7.4.2. Comments approved by: Dean Shoesmith, Chief People Officer. (Date 29/2/2024)

## **8. APPENDICES**

8.1 A Pension Committee Training Log 20 February 2024

8.2 B Hymans Robertson Training Portal Log 31 January 2024

## **9. BACKGROUND DOCUMENTS**

9.1 None