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| <p>Non-Executive Report of the:</p> <p>Pension Board</p> <p>Monday, 24 June 2024 Monday, 8th July 2024</p> |  <p>TOWER HAMLETS</p> |
| <p>Report of: Julie Lorraine, Corporate Director, Resources</p> | <p>Classification: Open</p> |
| <p>Training Strategy</p> | |

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| Originating Officer(s) | Paul Audu, Head of Pensions and Treasury (Interim) |
| Wards affected | All |

Reasons for Urgency

The report was not published five clear days in advance of the meeting. Therefore, before this item can be considered at this meeting, the Chair of the Board would need to be satisfied that it is necessary to consider Training Strategy at this meeting, the Board may also take the view that it is important that there should not be an extended period without any member oversight.

Executive Summary

This report reviews and updates the Pension Board on the Tower Hamlets Pension Fund Training Strategy.

Recommendations:

The Pension Board is recommended to:

1. Note this report and the scope of the proposed draft training strategy to be provided to the next Pension Board on 16 September 2024 and Pensions Committee on 30 September 2024 for consideration and approval respectively.
2. Note the current TH Pension Fund Training and Development Policy (**Appendix 1**).

1. REASONS FOR THE DECISIONS

- 1.1 An up-to-date training strategy is essential to ensure that the Pension Board and Pensions Committee members are performing and developing in their roles and are well equipped with the requisite skills and knowledge to carry out their responsibilities effectively.
- 1.2 The training strategy applies to both the Pension Board and the Pensions Committee albeit the legal requirements in relation to the former appear more stringent than the obligations on the latter or Officers. Generally, it is expected that the Board and Committee should have the same knowledge and skill.

2. ALTERNATIVE OPTIONS

2.1 None.

3. DETAILS OF THE REPORT

3.1 Officers are developing a training strategy to reflect:

- The Pensions Regulator's Code of Practice on the requirements of the knowledge and understanding of the Pension Board and Pensions Committee members – a link to the Regulator's toolbox is provided in the Appendices section of this report;
- The Chartered Institute of Public Finance and Accountancy (CIPFA) Knowledge and Skills Framework;
- The Scheme Advisory Board (SAB) Guidance covering the knowledge and skills of the Board; and
- The Markets in Financial Instruments Directive 2014 (MiFID II) requirements regarding the Pensions Committee's investment knowledge to maintain the Fund's professional investor status.

3.2 The objectives of the training strategy are to ensure that:

- The Fund is well-managed, and its services are delivered by people with the appropriate knowledge and skills;
- The Fund is effectively governed and administered; and
- Informed decisions are made in accordance with the Regulations, and guidance from the Pensions Regulator, the Scheme Advisory Board and DLUHC.

3.3 The scope of the training strategy will ensure consistency and compliance with the key areas of knowledge and understanding including:

- LGPS Regulations and other relevant Pensions legislation
- Public service pensions governance
- The fundamentals of financial markets and pension fund investments
- Pension Fund operation and administration
- Actuarial approach, standards and practices
- Pension Fund procurement and relationship management; and
- Other pertinent matters

3.4 The Board and Committee will consider a training plan annually, following an assessment of members' knowledge using a questionnaire. Members will be required to undertake learning and development activities including attendance at training events, reading material and conferences/seminars in person or online.

3.5 The delivery of training will be in the form of:

- Induction training;
- LGPS Online Learning Academy (LOLA);
- Pensions Regulator's online learning tool;
- Courses, seminars and conferences;
- Internal training including pre/post meeting sessions;
- Targeted regular updates and other materials from advisers and fund managers (including London CIV); and
- Bulletins and circulars on regulations and practices, and other guidance materials.

3.6 There is the risk that the delivery of the training strategy is undermined by:

- Lack of commitment by members of the Pension Board and/or Pensions Committee;
- High turnover in the membership of the Pension Board and/or Pensions Committee;
- Insufficient or poor resources
- Poor quality training
- Unsuitable or unstructured training plans

3.7 Officers will monitor the training strategy including via feedback from Board and Committee members to ensure the continued relevance and effectiveness of the training strategy.

3.8 Officers propose to provide the draft training strategy to the next Board and Committee meetings for consideration and approval respectively.

4. EQUALITIES IMPLICATIONS

4.1 There are no specific equalities implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

5. OTHER STATUTORY IMPLICATIONS

5.1 There are no specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration.

Risk Management

5.2 Section 249A of the Pensions Act 2004 requires the administering authority to manage risk by establishing and operating internal controls which are adequate for the purpose of securing that the scheme is administered and managed:

- (a) in accordance with the scheme rules
- (b) in accordance with the requirements of the law.

The Risk Register, Risk Management Policy which is the subject of this report is designed to ensure compliance with the Council's statutory duties regarding

managing risk related to the administration and management of the Pension Fund.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This is a noting report. There are no direct financial implications arising as a result of this report.

7. COMMENTS OF LEGAL SERVICES

7.1 There are no direct legal implications arising out of this report. The proposed training strategy is intended to take into account the relevant legislation; codes of practice and guidance.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- Appendix 1 – TH Pension Fund Training and Development Policy

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report.

- <https://www.thepensionsregulator.gov.uk/en/trustees/understanding-your-role/trustee-toolkit>

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