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| Non-Executive Report of the: Pensions Committee Monday, 30 September 2024 |  TOWER HAMLETS |
| Report of: Julie Lorraine, Corporate Director, Resources | Classification: Open (Unrestricted) |
| Training | |

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

Executive Summary

This report updates the Pensions Committee on the Tower Hamlets Pension Fund Training arrangements for Committee and Board members.

Recommendations:

The Pensions Committee is recommended to:

1. Note the content of this report.
2. Note that Committee and Board members have been enrolled on the LGPS Online Learning Academy (LOLA) and will have received individual email confirmation of enrolment.
3. Note that Committee and Board members can now access the LOLA portal to review the modules they have been enrolled to complete the learning at their own pace.
4. Note that Hymans will be launching the 2024 National Knowledge Assessment (NKA) on 17 September 2024.
5. Note that it is recommended that Committee and Board members commence the assessment as soon as possible after the launch date.
6. Note that Committee and Board members will be provided with a link to the assessment prior to the launch of the NKA.
7. Advise officers of any training completed and event(s) attended not recorded in the training log.

1. REASONS FOR THE DECISIONS

- 1.1 An up-to-date training strategy and training plan is essential in supporting Pensions Committee and Pension Board members in performing and developing in their roles and are well-equipped with the requisite skills and knowledge to carry out their responsibilities effectively.

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 are working collaboratively with Hymans to deliver training to Committee and Board members. 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.

LGPS Online Learning Academy (LOLA)

3.8 Committee and Board members have been enrolled on the LGPS Online Learning Academy (LOLA) and should have all received email confirmation to that effect. Committee and Board members can now access the portal to review the modules they have been enrolled to complete the learning at their own pace.

3.9 Hymans will be launching the 2024 National Knowledge Assessment (NKA) on 17 September 2024. LOLA users can go-live with the assessment from that date until mid-October. It is recommended that Committee and Board members commence the assessment as soon as possible after the launch date. To facilitate the process, officers have provided the completed data capture form with the required information to Hymans in advance of the launch. The form requests the name and position of all Committee and Board members who will be asked to complete the assessment. A blank form is included in this report (**Appendix 1**). Committee and Board members will be provided with a link to the assessment prior to the launch.

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 There are no direct financial implications arising as a result of this report, other than that by regularly reviewing the Risk Register, the Fund is trying to minimise the chance of financial and reputational loss occurring.
- 6.2 There are clearly some risks which would be difficult to transfer or manage, such as the impact that increased longevity will have on the liabilities of the Pension Fund, but the understanding of such risks could well impact on the other aspects of the decision-making process to lower risks elsewhere.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The proposed training strategy is intended to ensure that pension board and committee members' knowledge is in line with the requirements of the relevant legislation, code of practice and guidance which apply to them

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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