

Non-Executive Report of the:  <b>Pensions Committee</b>  Thursday, 24 June 2021	 <b>TOWER HAMLETS</b>
<b>Report of:</b> Kevin Bartle, Interim Corporate Director, Resources	<b>Classification:</b> Open (Unrestricted)
<b>Training</b>	

<b>Originating Officer(s)</b>	Miriam Adams
<b>Wards affected</b>	(All Wards);

### Executive Summary

This report sets out a training option following the results of the National Knowledge Assessment conducted by Hymans Robertson shared in July 2020. The assessment covered the CIPFA Knowledge and Skills Framework and the Pensions Regulator's (TPR) Code of Practice 14.

### Recommendations:

The Pensions Committee is recommended to:

1. Consider the Hymans Online Academy as a training option for both Committee and Board; and
2. Note the associated cost for licences per Committee and Board Member.

### 1. REASONS FOR THE DECISIONS

- 1.1 Governance is defined as the action, manner or system of governing. Good governance is vital and is promoted in context of a pension scheme /fund by having Members and Observers on the decision-making body who have the ability, knowledge and confidence to challenge and to make effective and rational decisions. The Online training courses provide added support to Members of the Board and Committee with the objective of improving knowledge and skills in the relevant areas of the activity of both Committees.

### 2. ALTERNATIVE OPTIONS

- 2.1 The Committee can choose to continue with the CIPFA Knowledge and Skills

Framework and online TPR training tools, however the online platform are meant to complement existing conferences, one off training courses arranged by officers and consultants.

### **3. DETAILS OF THE REPORT**

- 3.1 In recent years, there has been a marked increase in the scrutiny of public service pension schemes including LGPS. Additionally, the Scheme Advisory Board have emphasised the need for the highest standards of governance in the LGPS.
- 3.2 Section D of Good Governance: Phase 3 report to Scheme Advisory Board introduces a requirement in the Guidance for key individuals with the LGPS, including LGPS officers and Pensions Committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively.
- 3.3 Section D2 introduces a requirement for s151 officers to carry out LGPS relevant training as part of CPD requirements to ensure good levels of knowledge and understanding while section D3 of the report requires Administering Authorities to publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements. Section 4 requires CIPFA to produce appropriate guidance and training modules for s151 officers.
- 3.4 In June and July 2020, the Committee and Board received the results of the results of the online Hymans Knowledge Assessment results. Based on the results, the Committee adopted the suggested training plan and agreed that a plan for the delivery of training over a 6-month period while lock down restrictions continued should be the initial step. Since then, the Committee and Board have had training on asset allocation, ESG, Responsible Investment and actuarial training.

#### **Suggested Training Programme 2021/22 and 22/23.**

- 3.5 The suggested training programme following the assessment and individual training request is below:

Date	Event and Core Knowledge & Skills Areas Covered	Potential Attendees	Current status/Action
Sep – Dec 20	<ul style="list-style-type: none"> <li>The impact of COVID-19 on the Fund</li> </ul>	All	Completed
	<ul style="list-style-type: none"> <li>Pensions administration</li> </ul>		Moved to Jan 22
Jan – Mar 21	<ul style="list-style-type: none"> <li>Pensions Governance</li> </ul>	All	Moved to Jun 22
	<ul style="list-style-type: none"> <li>ESG</li> </ul>		Completed

Apr – Jun 21	<ul style="list-style-type: none"> <li>• Pension governance and good governance</li> <li>• Investment performance &amp; risk management</li> <li>• Actuarial methods</li> </ul>	All	Moved to June 22.  June 21  December 21
July – Sept 21	<ul style="list-style-type: none"> <li>• Procurement</li> <li>• Relationship management</li> </ul>	All	
Oct – Dec 21	<ul style="list-style-type: none"> <li>• Valuation training – purpose, roles, outcomes</li> </ul>	All	
Jan – Mar 22	<ul style="list-style-type: none"> <li>• Pensions administration</li> </ul>	All	
Apr – Jun 22	<ul style="list-style-type: none"> <li>• Governance</li> <li>• Relationship Management</li> </ul>	All	
Jul – Oct 22	<ul style="list-style-type: none"> <li>• Investment Performance</li> </ul>	All	

#### Hymans Robertson online training video

- 3.6 Since July 2020, Hymans Robertson has developed online training video tool designed to last for no more than 20 minutes per topic and video. The Committee is asked to consider this mode of training for both Board and Committee members at an annual cost of £300 per licence holder for 10 licence holders and £200 per licence holder for 20 licences. Estimated cost for Pensions Committee and Board is £4,800 per annum for 16 licences.
- 3.7 Topic expected to be covered are listed below. Each licence holder can work at their own pace. The option also provides evidence if required for MIFID II registration.

- **Module 1 - Introduction**
  - Introduction to the LGPS
  - Role of Elected Members on Committee (podcast)
- **Module 2 – Governance & Regulators**
  - LGPS Governance
  - LGPS Oversight Bodies & Regulators (TPR)
  - LGPS Oversight Bodies & Regulators (Section 13)
  - Business Planning
- **Module 3 – Administration & Management**
  - Introduction to Administration
  - Policies and Procedures
  - Public Procurement
  - Additional Voluntary Contributions
  - Accounting & Audit
- **Module 4 – Funding & Actuarial Matters**
  - Introduction to Funding Strategy
  - LGPS Actuarial Valuations (Process)
  - LGPS Actuarial Valuations (Technical Aspects)
  - LGPS Employers
- **Module 5 – Investments**
  - Introduction to Investment Strategy
  - Performance Monitoring
  - Pooling
  - Responsible Investment
  - MiFID II
- **Module 6 – Current Issues**
  - McCloud
  - Goodwin
  - Cost-sharing

#### 4. **EQUALITIES IMPLICATIONS**

- 4.1 There are no direct equalities implications from this report.

#### 5. **OTHER STATUTORY IMPLICATIONS**

- 5.1 This section of the report is used to highlight further 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. Examples of other implications may be:
- Best Value Implications,
  - Consultations,
  - Environmental (including air quality),
  - Risk Management,
  - Crime Reduction,
  - Safeguarding.
  - Data Protection / Privacy Impact Assessment.

#### **Risk Management Implications**

- 5.2 Any form of decision-making process inevitably involves a degree of risk. Effective training and development will help Members to gain sufficient knowledge and skills necessary to make appropriate decisions in minimising risk associated with their roles and responsibilities.

## **6. COMMENTS OF THE CHIEF FINANCE OFFICER**

- 6.1 This report details the pension fund commitment to training and revised training plan for 2021/22. Costs associated with delivering training to the Committee and Board Members will be met by the pension fund.

## **7. COMMENTS OF LEGAL SERVICES**

- 7.1 Whilst there are no immediate legal consequences arising from this report. It is important that members are trained appropriately so that decisions are made from a sound knowledge base thereby minimising the risk of any legal challenge.

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## **Linked Reports, Appendices and Background Documents**

### **Linked Report**

- List any linked reports
- **NONE**

### **Appendices**

- List any appendices [if Exempt, Forward Plan entry MUST warn of that]
- NONE.

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

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

List any background documents not already in the public domain including officer contact information.

- NONE.

#### **Officer contact details for documents:**

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