

TRAINING POLICY and TRAINING NEEDS

Committee	Pensions Committee
Officer Reporting	Sian Kunert, Finance
Papers with this report	Revised Training policy

HEADLINES

This report provides an update on training and development of Pensions Committee members in line with the Training Policy approved in December 2015. In addition a revised version of the Training Policy is brought to Pensions Committee for approval. The Pension Fund Training Policy is designed to aid Pension Committee, local Pension Board members and senior officers in performing individual roles ensuring the fund is managed by individuals with the appropriate levels of Knowledge and Skills.

RECOMMENDATIONS

It is recommended that Pensions Committee:

- 1. Approve the revised Training policy;**
- 2. Agree priority training topics for the work plan;**
- 3. Consider the addition of a separate training item on EGS issues prior to the October Committee.**

SUMMARY INFORMATION

The Training policy was adopted in December 2015 and due for a refresh which is attached with this paper. In addition to the policy, a training register is maintained to log training received by Pension Committee members, Local Pension Board members and Officers to record and track knowledge and skills. The last update on training was provided to Pensions Committee in March 2017.

Pensions Committee are responsible for exercising a duty of care and have a fiduciary responsibility to the fund, employers and potential beneficiaries of the fund. Although there is not a statutory requirement for Pension Committee members to undertake training there is such a statutory requirement for local Pension Board members. Due to the increased responsibility and decision making requirements, it is best practice for Pensions Committee members to apply the same principles and to seek to develop a sound level of knowledge and understanding. Pensions Committee members were invited to complete or update the Knowledge and Skills learning needs analysis to identify training gaps to enable officers to ensure the correct training items.

Cllr Goddard, Cllr Eginton and Cllr Barnes have completed their training needs analysis within the past 12 months. Cllr Corthorne completed the training needs analysis in June 2016 and is planning on updating in the coming weeks at the time of reporting. Cllr Morse who joined the committee in 2018 has yet to complete the analysis.

Priority of training areas has been suggested where there are 2 or more members with a score of 1 or 2 out of 5 in any given area, or where the average score out of 5 is below 3. Areas of priority are as follows

1 – Pensions legislation
An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.
2 - Pensions Governance
Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.
Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.
Knowledge of consultation, communication and involvement options relevant to the stakeholders.
An understanding of how breaches in law are reported.
3 – Pensions administration
Knowledge of how discretionary powers operate.
5 – Pensions services procurement and relationship management
An understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision-makers and organisations.

Utilising the training needs analysis and training plan adopted by committee in December 2015, officers have invited members of Pensions Committee and Pensions Board to relevant courses, seminars and workshops that will complement and enhance their existing knowledge.

Members Training Update

Subsequent to the last training update paper brought to Pensions Committee in March 2017. Members have undergone various training programmes both internally and externally.

All three new members to the Committee in 2018 attended a comprehensive 2 day course in July 2018 for a full overview of the scheme provided by AON Hewitt. The course covered the Legislative Framework and Structure of the LGPS, Key Governance Requirements and the Pensions Regulator's Code of Practice, Contributions and Benefits, Current 'Hot Topics' in the LGPS, Understanding Funding – Actuarial Methods, Standards and Practices, Investment Strategy, Financial Markets, Monitoring Investment Performance, Asset Pooling.

In-house information sessions have been provided by KMPG at Pension Committee meetings throughout the year. Sessions include an overview Hillingdon Pension Fund asset allocation and manager structure to support the future direction and proposed changes to strategy and asset allocation; Roles and responsibilities within the Pension fund and new regulation; training on infrastructure; a session on Inflation and how it effects the pension fund; and EGS and carbon, which will be refreshed in October 2019.

Future training

Future training will be provided through Committee meetings with the support of KPMG and other guest presenters to align with members training needs.

Information on future external training opportunities will be fed back to members as they are identified as an ongoing commitment to ensure their skills and knowledge required to administer the fund are up to date.

As a result of the training needs analysis review above, training areas for prioritisation at future meetings will cover

- Understanding of Breaches of Law (recently presented to Local Pensions Board)
- LGPS discretion powers and policies
- Pension Fund Governance including SAB and consultations
- Public sector procurement, specifically procurement within the LPS
- Regulatory reporting including Myners principles

In addition it is recommended that a separate internal training session is provided in advance of the October Committee on ESG. ESG is an area of significant focus within the industry currently. With the amendments in reporting requirements of EGS in particular, climate change and the government's commitment to net zero greenhouse gas emissions.

FINANCIAL IMPLICATIONS

There are no financial implications in the report.

LEGAL IMPLICATIONS

There are no legal implications in the report.