

Report to: Pension Board

Date of meeting: 2 November 2023

By: Chief Finance Officer

Title: Training Report

Purpose: To provide an update on training needs, opportunities undertaken and planned events.

RECOMMENDATIONS

The Pension Board is recommended to:

- 1) Note the outcome of the self-assessment knowledge and skills survey
 - 2) Note the training made available in the past year
 - 3) Note the type of events planned for the year ahead
 - 4) Identify areas Board members would like training on as a priority
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1. Background

1.1 This report is brought to the Pension Board to provide an update on the outcome of the knowledge and skills survey, provide details of training undertaken by members of the Pension Board and Committee. It also outlines training plans for the year ahead.

2. Knowledge and understanding levels

2.1 Members of the Pension Board have a legal duty to develop and maintain appropriate knowledge and understanding of pension matters to fulfil their role. Whilst this duty does not extend to members of the Pension Committee it has previously been accepted that as decision makers, Committee members should have an equivalent level of knowledge. This is in line with accepted best practice in the industry and the expectation that such a requirement will become law.

2.2 In August 2023 members of the Pension Board and Pension Committee were invited to complete a self-assessment of their knowledge and understanding of pension matters. This self-assessment was based on the guidance provided by CIPFA and The Pensions Regulator.

2.3 At the time of writing, responses have been received from two of the Pension Board members plus the independent Chair and three of the five Pension Committee members.

2.4 The completed questionnaires are used by Officers to assess the training needs of both the Board and Committee as a whole and individual members. As such, it is instrumental in helping define subjects that should be covered by bespoke events, outside of those made available through third party organisations. Where responses are not received this leads to a risk that training needs may not be identified, potentially causing members of the Pension Board to not meet their legal obligation to have the required level of knowledge and understanding to fulfil their role.

2.5 The number of new Pension Board members joining the Fund in the last year means Officers have been able to gain limited insight on the change of knowledge levels to previous years. However, it is clear that both Pension Board and Committee members would benefit from further training in areas such as the role of external stakeholders, for example the Government

Actuary's Department, and how the Fund ensures it is meeting good governance standards. The Pension Committee has also reported it would benefit from training on the financial markets.

2.6 Some Board and Committee members did not report an increased understanding in areas where training has been provided in the last year. Where Board and Committee members believe events can be improved they are encouraged to provide feedback. Officers observed that both Board and Committee members are seeking more information about the Additional Voluntary Contribution offering available to members. A paper will be provided to both the Committee and Board, which should increase the required levels of knowledge and understanding.

3. Training undertaken in the past year

3.1 The training opportunities made available in the past year to Pension Board and Committee members have ranged from in-house training, such as the Structure and Powers of The Pensions Regulator; guest presentations, such as a session covering accounting and another looking at climate risk; and external events, for example the PLSA's Local Authority Conference. Other areas where training has been provided include MIFID II, the legal requirements surrounding investment decision-making and Levelling Up.

3.2 As part of the training report last year, Officers discussed providing training on procurement and admissions and cessations. Work is progressing to create a training event on this area, and it is anticipated that these topics will be covered in a training session in December 2023.

3.3 Since the Board and Committee members were asked to complete the self-assessment, members of the Pension Committee have met with three Investment Managers who provide services to the Fund. These presentations, which include question and answer sessions, should have developed Pension Committee knowledge in this area. At the time of writing a fourth such session has been scheduled and will take place at the end of October 2023.

4. Training plans for the year ahead

4.1 Based on the findings of this year's training needs assessment, Officers intend to source training in the following areas, subject to any developing need to cover other topics:

- Fund interaction with the UK Tax system
- Business Continuity Planning and Cyber Security
- Transfers in and out of the Fund
- The role of internal audit and measuring governance standards
- The role of the Government Actuary's Department
- Key legislation for the operation of the Pension Fund

4.2 In addition to the areas listed above, Officers will monitor the market for pertinent training opportunities and notify members of both the Pension Board and Committee on a monthly basis of relevant events.

4.3 Pension Board members are reminded that if they have a particular training where additional support would be of assistance they can contact the Training Co-Ordinator to discuss the options available to them.

4.4 Where Pension Board members attend training, feedback is welcome on both content and delivery. This will help Officers improve the training sessions provided, when in-house or bespoke events commissioned by the Fund, and ensure both Pension Board and Committee members get value from the time invested.

5. Conclusion and Recommendations

5.1 The Pension Board is recommended to:

- Note the outcome of the self-assessment knowledge and skills survey
- Note the training made available in the past year
- Note the type of events planned for the year ahead
- Identify areas Board members would like training on as a priority

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