

**Report to:** Pension Board

**Date of meeting:** 07 November 2024

**By:** Chief Finance Officer

**Title:** Training Report

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

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## RECOMMENDATIONS

The Pension Board is recommended to note this Report

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### 1. Background

1.1 This report is brought to the Pension Board to:

- provide results of the annual knowledge and skills survey.
- give details of training completed in the past year by Pension Board and Committee members, and
- provide details of training planned for the year ahead for Pension Board and Committee members.

### 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, in their role as decision makers, Committee members should have an equivalent level of knowledge. This is in line with Section 248A of the Pensions Act 2004 and inserts to the Pensions Act 2013.

2.2 In August 2024, members of the Pension Board and Pension Committee were invited to complete a self-assessment which tested their knowledge and understanding of pension matters, based on guidance provided by CIPFA and the Pensions Regulator.

2.3 At the time of writing this report (14<sup>th</sup> October 2024), responses have been received from five of the seven Pension Board members plus the independent Chair and three of the five Pension Committee members.

2.4 The completed questionnaires allow officers to assess the training needs of the Board and Committee as a whole and individually. It is instrumental in helping define subjects that should be covered by bespoke training (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. This in turn could mean that members of the Pension Board and Pension Committee do not meet their legal obligation to have the required level of knowledge and understanding deemed essential to fulfil their role.

2.5 Two new Pension Board members have joined the Fund within the last year, meaning that Officers struggled to compare year-on-year trends in overall knowledge. Where comparisons were available individual members of both Board and Committee scored marginally higher than in 2023.

Subjects where all members would benefit from refresher training included:

- Understanding the role of external stakeholders, for example the Government Actuary's Department.
- How the Fund ensures it is meeting good governance standards.

The Pension Committee can benefit from training on best practice in pensions administration, e.g. performance and cost measures and the Fund's communications strategy.

2.6 Some Board and Committee members' understanding of specific subjects where training has been provided in the last year have not improved (based on the score which they have provided). This is unexpected and highlights the importance of providing feedback on suggested improvements to training events.

### **3. Training undertaken in the past year**

3.1 Training made available in the past year to Pension Board and Committee members include:

- In-house training, such as the General Code of Practice and LGPS & Tax and Cyber training;
- Guest presentations, such as sessions on Funding Update and Cessation Approach from our Actuary and another on Private Equity; and
- External events, for example the LGA's LGPS Governance Conference;
- Other training was provided on Climate Change and Government Bond Markets & Diversified Growth Funds (DGFs).

3.2 As part of last year's training report, officers discussed the need for training on transfers in and out of the Fund, the role of internal audit and measuring governance standards. Work is progressing to create a training event on these areas, with delivery taking place in November/December 2024.

3.4 Since the self-assessment, members of the Pension Committee have had presentations on Gilts (including Index Linked) and Government Bond Markets, which may have helped to developed knowledge in this area.

### **4. Training plans for the year ahead**

4.1 Based on the findings of this year's training needs assessment, together with specific areas requested by the Board and Committee, officers will source training in the following areas:

- Additional Voluntary Contribution (AVCs) and Additional pension contributions (APCs)
- Transfers in and out of the Fund.
- Valuation - legislative and/or benefit uncertainty and the impact of this on the funding strategy; work carried out by GAD and the impact this has on the valuation process (i.e., the cost management process/Section 13 report).
- LGPS discretions and how the formulation of the discretionary policies impacts on the fund, employers and scheme members.
- Update on Procurement Regulations.
- LGPS regulations' main features and requirements relating to: Communication strategies, administration; the delivery of administration and communications (including associated guidance).
- Any new areas where a training need is specified by the Board and Committee (Pension Board and Committee members are reminded that if they have a particular training need, they should contact the Training Co-Ordinator).
- Officers will monitor the market for pertinent training opportunities and notify members of both the Pension Board and Committee monthly.

In addition to the above external training, CIPFA provides annual training specifically designed for Board members which is offered to all ESPF Board members. The Local Government Association (LGA) offers yearly Fundamentals Trainings for new members of Boards and Committees.

4.2 When training takes place, feedback is encouraged on both content and delivery. This will help officers improve the training sessions provided and ensure both Pension Board and Committee members get value from the time invested.

## **5. Training Survey**

5.1 At the start of 2024 officers conducted an anonymous survey which requested training feedback from Board and Committee Members. Seven out of twelve members responded. The results showed that all responders were happy with the content and format of the training information provided and most (if not all) fully explore the content of the 'monthly training opportunities' emails sent by the training coordinator. A copy of the results is included at Appendix 1 of this report.

## **6. Conclusion and Recommendations**

6.1 The Pension Board is recommended to note the report which includes the outcome of the self-assessment knowledge and skills survey; the training made available in the past year; the type of events planned for the year ahead and areas where Board members would like priority training.

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