

PENSIONS COMMITTEE 06 OCTOBER 2021

Report title: Lambeth Pension Fund – Training Policy and Plan

Wards: All

Portfolio: Cabinet Member for Finance and Performance: Councillor Andy Wilson

Report Authorised by: Strategic Director for Finance and Investment: Fiona McDermott:

Contact for Enquiries: Robert Browning, Head of Treasury and Pensions, 07394 402801, rbrowning@lambeth.gov.uk

REPORT SUMMARY

This paper provides members with an updated Training Policy to reflect the recently revised CIPFA Knowledge and Skills Code of Practice and Framework, as well as a Training Plan for the remainder of 2021/22 and into 2022/23.

FINANCE SUMMARY

There are no direct financial implications arising from the recommendations in this report.

RECOMMENDATIONS

Pensions Committee

1. That the Training Policy be approved.
2. That the suggested Training Plan be noted.
3. That members commit to undertaking a skills audit and return results to officers by Friday 5 November.

1 CONTEXT

- 1.1 The training expectations for Pension Fund trustees were defined in the 2001 Myners Principles which were revised and updated in 2009. Principle 1, 'Effective Decision-Making', states that "decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively. [In taking] investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take".
- 1.2 The standards required of an administering authority with regards the knowledge and skills of those that manage and administer the Fund are set out in legislation and guidance, including the Pensions Act 2004, the Pensions Regulator's Code of Practice, MHCLG statutory guidance, and the Scheme Advisory Board guidance.
- 1.3 In May 2021 the Chartered Institute of Chartered Finance and Accountancy (CIPFA) published its updated Code of Practice on LGPS Knowledge and Skills and its Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers. In addition, there is a separate Knowledge and Skills Framework for Local Pension Boards which was published in 2015 and remains in force.
- 1.4 The CIPFA Codes reflect the increasing need for knowledge and skills from all parties involved in the management of the LGPS and are expected to be adopted by all administering authorities. They may yet be subject to further changes following the expected introduction of statutory guidance by the MHCLG in response to the Good Governance Review, with clearer expectations for those with a role in the LGPS including Chief Financial Officers and Pension Committees.

2 PROPOSALS AND REASONS

- 2.1 In response to the updated CIPFA Codes officers have drafted an updated Training Policy for the Fund which is applicable to the Pensions Committee, Pensions Board, and senior Fund Officers, and is attached at Appendix One.
- 2.2 The Policy sets out the Fund's objectives regarding the knowledge and skills development of those responsible for Fund management as well as the required competencies, methods of training to be adopted, the monitoring and review of training, and the reporting of compliance against training requirements. The Policy will be reviewed annually to account for any changes to statutory guidance or recognised best practice.
- 2.3 The Policy also includes a high-level Training Plan for 2021/22 (which includes sessions already delivered this year) and provisionally for 2022/23, recognising the need for specific and tailored training relevant to the Fund's Business Plan and requirements of the annual work cycle. The Plan will be updated on an ongoing basis, with an annual forward-looking programme presented to the Committee and Board at their first respective meetings of each financial year.

- 2.4 Officers recommend that the Committee review and approve the revised Policy and the knowledge and skills requirements set out within it, and note the Training Plan, offering feedback and suggestions for additional sessions if applicable.
- 2.5 Officers also recommend that the Committee agree to undertake a skills audit. This will take the form of a questionnaire to be developed by officers with reference to best practice assessment tools provided by the Pensions Regulator and CIPFA and, once completed, will serve to identify any skills gaps that can be addressed with focussed training. It will also serve as a useful self-assessment against the updated key competencies referred to in the Policy's annexes.

3 FINANCE

- 3.1 There are no direct financial implications arising from the recommendations in this report.

4 LEGAL AND DEMOCRACY

- 4.1 The Lambeth Pension Fund is run in accordance with the Local Government Pension Scheme Regulations 2013 enacted along with other Regulations under the Superannuation Act 1972 and the Public Service Pension Act 2013, and is for the benefit of Council employees and outside organisations which have entered into an agreement with Lambeth to provide pensions for their staff.
- 4.2 The Pensions Committee must be mindful of the statutory obligations placed upon it with regards the attainment and ongoing development of the knowledge and skills required to fulfil its delegated responsibilities.
- 4.3 There are no additional comments from Democratic Services.

5 CONSULTATION AND CO-PRODUCTION

- 5.1 Not Applicable.

6 RISK MANAGEMENT

- 6.1 Any form of decision-making inevitably involves a degree of risk. It is important that members are trained appropriately so that decisions are made from a sound knowledge base, minimising the risk of any legal, financial, or reputational damage to the administering authority or Fund. Effective training and development will help members gain sufficient knowledge and skills to make appropriate decisions.

7 EQUALITIES IMPACT ASSESSMENT

- 7.1 None for the purposes of this report.

8 COMMUNITY SAFETY

- 8.1 None for the purposes of this report.

9 ORGANISATIONAL IMPLICATIONS

Environmental

9.1 None for the purposes of this report.

Health

9.2 None for the purposes of this report.

Corporate Parenting

9.3 None for the purposes of this report.

Staffing and accommodation

9.4 None for the purposes of this report.

Responsible Procurement

9.5 None for the purposes of this report.

10 TIMETABLE FOR IMPLEMENTATION

10.1 Not Applicable.

AUDIT TRAIL				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:
Councillor Andrew Wilson, Cabinet Member	Finance and Performance	20.09.2021	23.09.2021	
Fiona McDermott, Strategic Director	Finance and Investment	20.09.2021	23.09.2021	
Christina Thompson, Director of Finance	Finance and Investment	20.09.2021	20.09.2021	
Hamant Bharadia, Assistant Director of Finance	Finance and Investment	20.09.2021	23.09.2021	
Andrew Pavlou, Legal Services	Legal and Democratic Services	20.09.2021	21.09.2021	
Marianna Ritchie, Democratic Services	Legal and Democratic Services	20.09.2021	21.09.2021	

REPORT HISTORY	
Original discussion with Cabinet Member	N/A
Report deadline	15 September 2021
Date final report sent	23 September 2021
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	N/A
Appendices	<ul style="list-style-type: none"> Appendix One – Lambeth Pension Fund Training Policy – October 2021