

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

Training – Longevity and Funding Impacts	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	
Pensions Committee 27th June 2017		

1. INTRODUCTION

- 1.1 This report introduces the presentation of a training session for Members on longevity and its impact on funding level, which will assist members in considering some of the factors involved in implementing their strategic commitments. The training is also being provided to Members of the Pension Board to assist them in understanding their role as a Board and ensuring they are compliant with the knowledge and understanding requirements placed upon them.

2. RECOMMENDATIONS

- 2.1 **The Pensions Committee is recommended to note the report.**

3. RELATED DECISIONS

- Pensions Committee 27th June 2017 – Club Vita Update
- Pensions Committee 23rd March 2016 – Club Vita Update

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

- 4.1 For Members to be able to fulfil their role as trustees to the Pension Fund, they need to receive specialist training. The responsibilities for the Pension Fund are complex and varied covering the whole spectrum of investments, administration and financial management and as such it is essential that Members are provided with training in order to be able to exercise their duties. The cost of such training is immaterial in the context of the Pension Fund and many of the training sessions are provided free of charge or the costs are minimal.
- 4.2 Training in all aspects of the Pension Fund and the development of an understanding of the factors that will impact on the Fund helps ensure that those charged with governance are able to make effective decisions and understand the financial impact of those decisions.

4.3 The Pensions Committee is responsible for managing the Pension Fund worth over £1.3bn and as such need to ensure that they have the appropriate knowledge and skills to make effective decisions in relation to the assets of the Fund.

5. COMMENTS OF THE DIRECTOR, LEGAL

5.1 The responsibilities given to the Committee in respect of the management of the Pension Fund are both broad and onerous. For example, as quasi trustees of the Pension Fund, Committee Members owe a fiduciary duty to fund members, which imposes the highest standard of care in equity and law. The responsibilities of Members are exercised in a legal framework that is complex and changing. Both training and re-training is reasonably required to enable Members to continue to carry out their responsibilities in the best interests of fund members and this training session is a contributory factor which demonstrates the Committee's desire to meet its obligations.

5.2 There are no immediate legal implications arising from this report.

6. BACKGROUND TO THE REPORT

6.1 The training session being provided to Members at the meeting is designed to provide them with an analysis of the Fund's specific longevity risks and understanding of how these can affect the funding level. This will assist members in understanding the funding risks facing the pension fund.

6.2 Club Vita, who provide a specialist longevity analysis service as part of Hymans Robertson, will be presenting the training session on longevity and its funding impacts.

6.3 By following the training programme being provided to Members based on the requirements of the CIPFA Knowledge and Skills Framework, it is anticipated that this will enable Members to fulfil their responsibilities and achieve the requirements of knowledge within the Framework.

Ian Williams

Group Director, Finance and Corporate Resources

Report Originating Officer: Rachel Cowburn ☎020-8356 2630

Financial considerations: Michael Honeysett ☎020-8356 3332

Legal comments: Stephen Rix ☎020-8356 6122