

REPORT OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES		
Training – Transition Management and Risk	Classification PUBLIC	Enclosures None
	Ward(s) affected ALL	
Pensions Committee 4th December 2017		

1. INTRODUCTION

- 1.1 This report introduces the presentation of a training session for Members on asset allocation and de-risking, to assist them in meeting the standards set out in the CIPFA Knowledge and Skills Framework and in the Fund's training policy.

2. RECOMMENDATIONS

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

3. RELATED DECISIONS

- Pensions Committee 29th March 2017 – Investment Strategy – Active and Passive Equity Transition
- Pensions Committee 21st March 2018 – De-risking Triggers

4. COMMENTS OF THE GROUP DIRECTOR OF FINANCE & CORPORATE RESOURCES

- 4.1 Management of the Pension Fund is complex and varied, covering areas including investment, administration, governance and financial management. It is therefore essential that members of both the Pensions Committee and Pension Board are provided with training, to ensure that they are able to meet the various duties placed upon them. The cost of such training is immaterial in the context of the Pension Fund; many of the training sessions are provided free of charge or at minimal cost.
- 4.2 An understanding of de-risking triggers and how these can be implemented for the Fund is useful for the Committee at this time, as funding levels have increased significantly since the last valuation.

5. COMMENTS OF THE INTERIM DIRECTOR, LEGAL

- 5.2 Knowledge and skills requirements for the Pensions Committee are set out in CIPFA's Code of Practice on Public Sector Pensions Finance Knowledge and Skills. Although not statutory, this guidance provides a framework for both Administering Authorities and individual Committee Members to assess their level of understanding and determine any training needs. An understanding of the nature and scope of the risks for the Pension Fund, which would include transition risks, is included within the framework

5.1 Members of the Pension Board are also encouraged to attend Committee training sessions where possible. Each member of the Pensions Board is required by Section 248a of the Pensions Act 2004 (as amended by the Public Service Pensions Act 2013) to obtain 'a degree of knowledge and understanding...appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.' The CIPFA Knowledge and Skills Framework for pension Boards also makes reference to the understanding of risk.

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

6. BACKGROUND/TEXT OF THE REPORT

6.1 The Hackney Pension Fund has adopted the key recommendations of the CIPFA Code of Practice on Public Sector Pension Finance Knowledge and Skills. As such, training for Pensions Committee members is organised in line with the areas of knowledge set out in the Code; these include a section on Investment Performance and Risk Management

6.2 It is intended that Pension Board Members should also attend the training session if possible to help ensure that they meet the Knowledge and Understanding requirements set out by the Pensions Act 2004 and The Pensions Regulator's Code of Practice. CIPFA has produced a Technical Knowledge and Skills framework designed for Local Pension Boards, which sets out suggested training requirements for Members. The requirements are very similar to those set out in the Code of Practice on Public Sector Pension Finance Knowledge and Skills.

6.3 The training session will therefore provide members with a broad overview of the operation of de-risking triggers and how these can be effectively implemented for the Hackney Pension Fund.

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