

London Borough of Hackney Pension Fund Training Policy Self-Assessment and Analysis

Introduction

The London Borough of Hackney Pension Fund Training Policy sets out a number of objectives including that all staff and Pensions Committee members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

Under the Training Policy, all Pensions Committee members, Pension Board members and senior officers to whom the Policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that the all the objectives set out in the Policy are met. You should feel comfortable that you have the appropriate knowledge needed for you to carry out your role as a Pensions Committee or Pension Board member.

Hackney Council, as administering authority to the London Borough of Hackney Pension Fund, is committed to providing the appropriate training so that these objectives can be met.

What is included in this analysis?

There are **three sections** in this analysis including:

- **Section 1 – Training Needs Self-Assessment:** A key element of the knowledge requirements is the national CIPFA Knowledge and Skills Framework competencies for Pensions Committee representatives, which can be applied equally to Pension Board members. It is important to regularly assess the level of knowledge and expertise, and any gaps in knowledge, so that training plans can be developed in accordance with the Fund's Training Policy. To assist in developing these training plans, all Pensions Committee and Pension Board members are asked to complete this self-assessment of their training needs.
- **Section 2 – Board Effectiveness and Engagement Analysis:** We want to understand your view on how effectively the Pensions Committee or Pension Board is performing including your view on collective and individual behaviour and the level of engagement in the Pensions Committee / Pension Board.
- **Section 3 – Training Preferences:** A key challenge for the administering authority in delivering training is ensuring that the training provided offers sufficient breadth and depth whilst fitting in with the many time constraints placed upon Pensions Committee and Pension Board members, as well as striving to deliver training in a manner that suits individual preferences. We would therefore welcome your views to help design future training format(s).

Instructions for completion and return

You can complete the table either electronically and email it back to us, or you can print it and post or scan it back to us. If you do not have access to a printer and you want a printed copy of the self-assessment, please contact rachel.cowburn@hackney.gov.uk.

Please complete and return this form by 31st January 2018 The form should be returned to the following email or postal address:

- Email – rachel.cowburn@hackney.gov.uk, or
- Address – Rachel Cowburn
Financial Services Team
4th Floor, Hackney Service Centre
1 Hillman Street
London E8 1DY

If you would like to discuss your training needs and/or this self-assessment, please contact Rachel Cowburn using the details above.

Section 1 – Training Needs Self-Assessment

This self-assessment starts on page 3 and is made up of a number of columns as described below:

- **The competencies (i.e. topics) that you should have knowledge of** – These are shown in the first three purple coloured columns. The first two columns show the competencies as stipulated by CIPFA. The third column shows additional topics that we believe are important and so have included as part of the required training for London Borough of Hackney Pension Fund.
- **The training that you think you need** - The final three (green) columns are where we need you to confirm where you think you need further training. The columns are as follows:
 - Question 1 - How confident do you feel in your knowledge and skills?
You should answer this question on each row with 0, 1, 2, 3 or 4 by referring to "Key 1" at the top of page 3.
 - Question 2a - Do you believe you need further training to undertake your London Borough of Hackney Pension Fund responsibilities in this area?
You should answer this question on each row with either "Yes" or "No".
 - Question 2b – You only need to complete this column where you have answered "Yes" to question 2a.
If that is the case, you should answer 1, 2 or 3 by referring to "Key 2" at the top of page 3.

How do I complete this section?

Please answer questions 1, 2a, and if relevant 2b below (i.e. the green columns) in relation to each competency area shown.

Name

1 - Key to question 1 response:	2 - Key to question 2b response, if you answer yes to 2a:
0 = Not relevant to your role	1 – I feel I need full training in this area
1 = Poor, Not Effective, No Understanding	2 – I could do with a short refresher in this area
2 = Satisfactory, Quite Effective, Limited Understanding	3 – I feel information presented at Pensions Committee / Pension Board and the opportunity to ask questions there (and before) Pensions Committee / Pension Board will be sufficient to fill any knowledge gaps I have
3 = Good, Effective, Some Understanding	
4 = Very Good, Very Effective, Full Understanding	

CIPFA Suggested Competency Area	CIPFA Competency Sub-Area	Further specific topics requiring training (where not obvious)	Question 1 - How confident do you feel in your knowledge and skills? Answer 0, 1, 2, 3 or 4 from key 1 above.	Question 2a - Do you believe you need further training to undertake your Hackney Pension Fund responsibilities in this area? Yes or No?	Question 2b, if yes, what level of training? Answer 1, 2 or 3 from key 2 above.
Pensions legislative and governance context					
General pensions framework	A general awareness of the pensions legislative framework in the UK.				
Scheme-specific legislation	An overall understanding of the legislation specific to the scheme and the main features relating to benefits, administration and investment.	Include: <ul style="list-style-type: none"> - the roles and powers of the MHCLG in relation to the LGPS - interaction with local authority legislation 			
	An awareness of the Local Government Pension Scheme Regulations 2013.				

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	An appreciation of LGPS discretions and how the formulation of the discretionary policies impact on the pension fund, employers and local taxpayers.				
	A regularly updated appreciation of the latest changes to the scheme rules.				
	Knowledge of the role of the administering authority in relation to the LGPS.				
		The role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.			
Pensions regulators and advisors	An understanding of how the roles and powers of the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.				
		The requirements of the TPR Code of Practice number 14			

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General constitutional framework	Broad understanding of role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.	Include history of LBHPPF and current governance structure of LBHPPF			
	Awareness of role and statutory responsibilities of treasurer and monitoring officer.				
Pension scheme governance	An awareness of the LGPS main features.	Include the key strategy documents required and associated guidance (mainly statutory and CIPFA).			
	Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.				
	A detailed knowledge of the duties and responsibilities of committee members.	Include the duties and responsibilities of pension board members.			
	Knowledge of the stakeholders of the pension fund and the nature of their interests.				
	Knowledge of consultation, communication and involvement options relevant to the stakeholders.				

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		Knowledge of how pension fund management risk is monitored and managed			
		Understanding of how conflicts of interest are identified and managed			
		Understanding of how breaches in law are reported.			
		Knowledge of the key documents of the LBHPF as detailed within the LBHPF Training Policy for new members.			
		Knowledge of other documentation relating to the LBHPF as listed in TPR Code of Practice number 14.			
Investment Pool	Broad understanding of the structure, operation and purpose of the investment pooling arrangements, including the structure of the relationship with the other participants within the pool.				

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	Appreciation of the regulation, best practice and guidance related to investment pooling and the delivery of the investment objectives of the administering authority/pensions committee by their chosen investment pool.				
	Appreciation of the boundaries under financial services law and where carrying on investment activities requires FCA authorisation.				
	Understanding of the interaction between the administering authority, the pensions committee, the investment pool operator, investment pool oversight committee and other parties relating to the investment pooling arrangements; in particular reporting requirements, influence and accountability.				
	Understanding of the statement of investment principles or investment strategy statement and the investment pool's interpretation and expected delivery of those investment objectives.				

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Pensions accounting and auditing standards					
	Awareness of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the accounts and annual report.				
	Awareness of the role of both internal and external audit in the governance and assurance process.				
Financial services procurement and relationship management					
Understanding public procurement	Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations.				
	A general understanding of the main public procurement requirements of UK and EU legislation.				
Supplier risk management	Awareness of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.				

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Investment pool	<p>Awareness of the nature of the relationship with the investment pool parties and an understanding of:</p> <ul style="list-style-type: none"> - the extent of influence over the investment pool operator and oversight committee - the terms for terminating a pooling agreement; and - guidance on the requirement to pool investments. 				
Investment performance and risk management					
Total fund	Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.				
Performance of advisors	Awareness of the Myners principles of performance management and the approach adopted by the committee.				
Performance of the committee	Awareness of the Myners principles and the need to set targets for the committee and to report against them.				
Performance of support services	Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.				

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Performance of the investment pool	Awareness of the Investment Regulations and the requirements for monitoring investments.				
	Understanding of the administering authority and pensions committee investment strategy requirements of the investment pool and how to effectively monitor the delivery of the investment strategy.				
Financial markets and products knowledge					
Investment strategy	Awareness of the risk and return characteristics of the main asset classes (equities, bonds, property).				
	Understanding of the role of these asset classes in long-term pension fund investing.				
Financial markets	Understanding of the primary importance of the investment strategy decision.				
	A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.				
		Flight Path Derisking Strategy			

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	An awareness of the limits placed by regulation on the investment activities of local government pension funds.				
		MIFID II			
Investment pool	Appreciation of the investment pool operator's approach to pooling and delivering access to the different asset classes and/or investment funds.				
	Understanding of which assets and investments may sit outside of the investment pool, and their nature and characteristics.				
Actuarial methods, standards and practices					
Valuations	Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.				
	Awareness of the importance of monitoring early and ill health retirement strain costs.				
	A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.				
Outsourcing	A general awareness of the relevant considerations in relation to outsourcing and bulk transfers.				

Section 2 – Committee and Board Effectiveness and Engagement Analysis

Understanding the Committee/Board Effectiveness and Engagement

In addition to being fully equipped with the knowledge and skills to discharge your duties and responsibilities as a Pensions Committee member, Pension Board member, or senior officer it is also helpful to understand your view on how effectively the Pensions Committee and Pension Board is performing. Here we are seeking your view on collective and individual behaviour and the level of engagement in the Pensions Committee/ Pension Board.

How do I complete this section?

Please answer questions 1 to 12 below by selecting one of the responses, Strongly Agree, Agree, Unsure, Disagree, Strongly Disagree (i.e. green columns) – please enter an **X** in the relevant field. If you have any additional comments you would like to provide please place them in the text box at the end of the section stating which question the comment relates to.

Please confirm whether you are responding to this section in relation to your views of the Pensions Committee or Pension Board. If you have attended both, please feel free to complete this section twice so all views can be gathered.

Completed for Pensions Committee / Pension Board (delete as appropriate)

	Effectiveness and Engagement Questions	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
1.	You feel you can contribute and facilitate discussions to help develop ideas					
2.	You are able to work effectively with other Pensions Committee / Pension Board members of varying experience and understanding					
3.	You feel able to identify risks and threats and appropriate action					
4.	You feel comfortable asking questions and challenging areas when necessary to further Pensions Committee/ Pension Board understanding and develop problem solving					
5.	You undertake learning and development					

	Effectiveness and Engagement Questions	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
	to improve your knowledge and skills and are aware of your own strengths and weaknesses					
6.	You are comfortable managing conflicts of interest					
7.	Pensions Committee/ Pension Board discussions are facilitated to allow all to contribute in order to seek opinion and develop ideas					
8.	Pensions Committee/ Pension Board work collaboratively to develop good working relationships					
9.	Pensions Committee/Pension Board are able to have difficult conversations and challenge each other constructively					
10.	Pensions Committee decisions/ Pension Board recommendations are not unduly influenced by someone's experience or expertise					
11.	The Fund has clear strategic objectives which inform what we do at Pensions Committee/ Pension Board					
12.	Pensions Committee/Pension Board have enough time and resources to effectively manage the scheme					

Please add any additional comments relating to questions 1 – 12 above:

Section 3 – Training Preferences

Understanding Training Preferences

A key challenge for the administering authority in delivering training is in ensuring that the training provided offers sufficient breadth and depth whilst fitting in with the many time constraints placed upon Pensions Committee and Pension Board members, as well as striving to deliver training in a manner that suits individual preferences. We would therefore welcome your response to the following two questions to help design training format(s) in the future.

How do I complete this section?

Please answer questions 1 and 2 by entering an **X** in the relevant field. If you have any additional comments you would like to provide relating to training preferences please place these in the text box at the end of this section.

1. Which of the following training methods have you made use of in the last 12 months to maintain / improve your pension fund knowledge?		
	Yes	No
Internal training sessions (with internal trainers such as Fund officers)		
Internal training sessions (with external trainers such as advisors)		
External training sessions (i.e. run by external organisations or advisors)		
Conferences and other events		
On-line training		
Reading written material		
Telephone conference briefing		
Other (please state)	Please list other methods (where relevant):	

2. Please tick the boxes that best describe how you feel about each of the following training methods. You may have more than one method with the same ranking if

you equally like or dislike them.				
	I really like this method of learning	I quite like this method of learning	I'm not so keen on this method of learning	I really don't like this method of learning
Internal training sessions (with internal trainers such as Fund officers)				
Internal training sessions (with external trainers such as advisors)				
External training sessions (i.e. run by external organisations or advisors)				
Conferences and other events				
On-line training				
Reading written material				
Telephone conference briefing				
Other (please state)				

Please add any additional comments relating to how training is delivered: