

Title of Report	Knowledge and Skills Policy - Training Needs Analysis
For Consideration By	Pensions Committee
Meeting Date	19 January 2023
Classification	Public
<u>Ward(s) Affected</u>	All
<u>Group Director</u>	Ian Williams, Group Director Finance & Corporate Resources

1. **Introduction**

- 1.1. This report sets out the Fund's plans to undertake a training needs analysis in line with its Knowledge and Skills Policy. A key element of delivering the Fund's Knowledge and Skills Policy objectives is to ensure the level of skills and knowledge is monitored, and gaps in knowledge or skills are determined. The training needs analysis is key to doing this.
- 1.2. The report sets out why the analysis is required and what it aims to achieve. It also provides details of and when the analysis will be distributed to Members and Officers.

2. **Recommendations**

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

3. **Related Decisions**

- 3.1. Pensions Committee 23rd November 2021 - Knowledge and Skills Policy Review

4. **Comments of the Group Director of Finance and Corporate Resources.**

- 4.1. The responsibilities for the Pension Fund are complex and varied covering the whole spectrum of investments, administration and financial management. Training across all aspects of the Pension Fund and understanding the factors that impact its management help those charged with governance to make effective decisions, many of which can have a significant financial impact on the Fund.

- 4.2. Having a formally approved and transparent training policy in place is good practice, meets the professional requirements of CIPFA and helps ensure those persons charged with governance and management of the Pension Fund understand what is expected of them. The costs associated with delivering this Policy are immaterial compared with the potential costs of failing to ensure that the Fund is properly managed..
- 4.3. There are no immediate financial implications arising from this report

5. **Comments of the Director of Legal, Democratic and Electoral Services**

- 5.1. The Council has established a Pensions Committee to act as the Scheme Manager of the Pension Fund in accordance with legislation. The Committee is responsible for monitoring performance of the fund, setting and reviewing strategic objectives and appointing administrators, advisers, investment managers and custodians.
- 5.2. The functions of the Pensions Committee are contained within part 3 of the Councils' Constitution. To set the overall strategic objectives for the Fund, to review the Fund's policy and strategy documents on a regular cycle and to maintain an overview of pensions training for its Members are parts of this Committee's role. There are also legal requirements that are outlined in the draft Knowledge and Skills Policy that must be adhered to, including MiFID II (Markets in Financial Instruments Directive) and Section 248A of the Pensions Act 2004.

6. **Background to the report**

- 6.1. All Pension Committee and Pension Board members should feel comfortable that they have the appropriate knowledge and skills needed to carry out their role on either the Pension Committee or Pension Board. The Fund recognises that attaining, then maintaining, relevant knowledge and skills is a continual process, and that training is a key element of this process.
- 6.2. The London Borough of Hackney Council, as administering authority to the Hackney Pension Fund, is committed to providing the appropriate training so that its objectives can be met. A key element of delivering the Fund's Knowledge and Skills Policy objectives is to ensure the level of skills and knowledge is monitored, and gaps in knowledge or skills are determined.
- 6.3. To do this the Fund will carry out a training needs analysis at least once every two years. All Pension Committee members, Pension Board members and senior officers are expected to demonstrate their personal commitment to training and ensuring that the objectives outlined in the Knowledge and Skills Policy are met.

6.4. The Fund's Knowledge and Skills policy includes the following objectives:

- Ensure that the London Borough of Hackney Pension Fund is appropriately managed and that its services are delivered by people who have the requisite knowledge and skills, and that this knowledge and expertise is maintained within the continually changing Local Government Pension Scheme and wider pensions landscape
- Ensure that those persons responsible for governing the London Borough of Hackney Pension Fund have sufficient knowledge and skills to be able to evaluate and challenge the advice they receive, ensure their decisions are robust and well based, and manage any potential conflicts of interest
- Ensure that those persons responsible for the management and governance of the London Borough of Hackney Pension Fund are committed to attending and engaging with suggested training in accordance with the Knowledge and Skills policy.

6.5. A key element of the knowledge requirements are the two national CIPFA frameworks: the Knowledge and Skills framework for LGPS Committee members and LGPS officers; and the Technical Knowledge and Skills framework for Local Pension Boards. Both frameworks cover eight areas of knowledge identified as the core requirements.

6.6. In addition, the frameworks also set out details on the wider skills needed by decision makers in the LGPS. CIPFA suggests these should be considered when determining the ability of Committee members, Pension Board members and senior officers to effectively discharge their duties. It is, therefore, important to regularly assess the level of knowledge and expertise, and identify any gaps in knowledge, so that training plans can be developed in line with the Fund's Knowledge and Skills policy.

6.7. In line with the Fund's Business Plan and following new Committee members having completed induction training, the Fund intends to undertake a training needs analysis in Q4 2022/23. An assessment based on the CIPFA frameworks will be issued to all Pension Committee, Pension Board and senior officers shortly.

6.8. It is important that everyone participates in this analysis as this will shape the Fund's training programme for 2023/24. It is expected that the results of the training needs analysis will be shared at the March 2023 Committee meeting.

6.9. Other approaches detailed in the Knowledge and Skills Policy that indicate whether the policy's objectives are being met include:

- Attendance by at least 75% of the required Pension Committee members, Pension Board members and senior officers at planned hot

topic training sessions

- Attendance by each Pension Committee member, Pension Board member and senior officer at least one day each year of general awareness training or events (this can include specific courses, seminars or conferences)
- Ensuring that identified training needs as part of the induction process are completed within six months of appointment

6.10. We will report against the above requirements at each Committee and Board meeting. Members will be provided with details of training events and percentages attended since the previous meeting along with information on upcoming seminars, conferences and other relevant training events.

Appendices

None

Background documents

None

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