

**Report of: Corporate Director of Resources**

Meeting of	Date	Agenda Item	Ward(s)
Pensions Sub-Committee	26 June 2018		

Delete as appropriate	Exempt	Non-exempt

**Subject: ISLINGTON COUNCIL PENSIONS SUB COMMITTEE  
MEMBERS TRAINING**

**1. Synopsis**

- 1.1 This is an information report to engage Members of the Pensions Sub-Committee especially after new committee appointments, to explore their training requirements and consider the options attached as Appendix A and B.

**2. Recommendations**

- 2.1 To explore Members' training needs and consider training options attached as Appendix A and B.

**3. Background**

- 3.1 CIPFA Pensions Panel Principles for Investment Decision Making in the Local Government Pension Scheme in the United Kingdom (Guidance note issue No. 5) publication, is based on ten principles proposed by the Myners review of Institutional Investment in the United Kingdom, and was adopted by the Government as a model for best practice in 2001.

- 3.2 The Myners Principles were reviewed by the Pension and Lifetime Savings Association (PLSA) during 2008 and a revised set of six principles were issued in October 2008. The Myners principle and compliance forms part of Islington Pension Fund's published Investment Strategy Statement. *Myners 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. Where trustees elect to take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take.
- 3.3 Local Government Pension Scheme (Amendment) Governance Regulations 2014 ("the Governance Regulations) provide that Pensions Board will have responsibility for assisting the 'scheme manager' (the Pensions Sub Committee in Islington's case) in relation to the following matters:
- To ensure compliance with:
- the Local Government Pension Scheme Regulation (LGPS),
  - other legislation relating to the governance and administration of the LGPS, and
  - the requirements imposed by the Pensions Regulator in relation to the LGPS to ensure the effective and efficient governance and administration of the scheme.
- This reinforces the need for Pensions Sub- Committee members to undertake regular training to ensure sufficient knowledge of the LGPS, pension benefits and investment issues to make informed decisions for the benefit of all stakeholders.
- 3.4 Training requirements can be split into two categories
- a) the role of a trustee and knowledge required to perform those duties
  - b) technical knowledge on the local government scheme and investment expertise
- 3.5 The Pensions Finance Knowledge and Skills Framework – Technical Guidance for Pensions Practitioners in the Public Sector, and Technical Guidance for Elected Representatives and Non-Executive Members in the Public Sector (the frameworks), published in January 2010, were launched as good practice guidance and were intended to have persuasive rather than mandatory force. This Code of Practice represents a key element in complying with this principle and is intended to complement the Myners requirements for knowledge and skills in decision-makers.
- 3.6 **The Code of Practice is underpinned by five key principles:**
- 3.6.1. Organisations responsible for the financial administration of public sector pension schemes recognise that effective financial management, decision-making, governance and other aspects of the financial administration of public sector pension schemes can only be achieved where those involved have the requisite knowledge and skills.
- 3.6.2. Organisations have the necessary resources in place to acquire and retain the necessary public sector pension scheme finance knowledge and skills.
- 3.6.3 Organisations have in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration, scheme governance and decision-making.
- 3.6.4 The associated policies and practices are guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Pensions Finance Knowledge and Skills Frameworks.

- 3.6.5 The organisation has designated a named individual to be responsible for ensuring that policies are implemented.
- 3.7 The Pensions Sub-Committee requires new members serving on the Sub-Committee to source appropriate training within 6 months of joining the Sub-Committee. **The three-day course run by the Local Government Pensions Committee of the Employers Organisation is recognised as particularly relevant training for new Members**, but other paid courses or seminars, and requisite experience are also recognized as appropriate. A copy of the course dates is attached for information –Appendix A
- 3.8 Other training options available include members choosing an investment topic that could then be presented as part of our fund managers’ performance presentation at some of our regular quarterly meetings, half day sessions tailored to cover a few investment topics, discussion papers prepared by our investment advisers or actuary.
- 3.9 Self-tutorial courses taken on line at members own speed and time such as The Pension Regulator Trustee Toolkit. This is a free, online learning program from The Pensions Regulator aimed at trustees of occupational pension schemes. The Trustee toolkit includes a series of online learning modules and downloadable resources developed to help you meet the minimum level of knowledge and understanding introduced in the Pensions Act 2004.
- 3.10 Members are therefore asked to consider in the first instance their training requirements and consider LGA course program Appendix A and some of the other training options available attached as Appendix B

## **4. Implications**

### **4.1 Finance Implications**

- 4.1.1 Fund management and administration fees are charged directly to the Pension Fund. Training fees will be covered as part of fund management.

### **4.2 Legal Implications**

- 4.2.1 There are no specific legal implications arising from this report

### **4.3 Resident Impact Assessment**

- 4.3.1 None applicable to this report. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

## **5. Environmental Implications**

None applicable to this report

## **6. Conclusion and reasons for recommendations**

This report covers members training requirements and asks them to consider the options proposed to make effective decisions with the necessary skills and knowledge.

**Background papers:**

Islington Councils Pension Fund ISS

**Final Report Clearance**

Signed by

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Corporate Director of Resources

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Date

Received by

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Head of Democratic Services

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Date

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## **Appendix A- LGPS “TRUSTEE” TRAINING FUNDAMENTALS XVII**

The 2018 programme is currently being reviewed and will be advertised early June when bookings will become live. We just wanted to alert you to the dates that Fundamentals will be run this year:

. Fundamentals XVII 2018 will be delivered at three locations as follows:

Leeds Day 1 2 October  
Day 2 6 November  
Day 3 5 December

London Day 1 10 October  
Day 2 30 October  
Day 3 4 December

Cardiff Day 1 23 October  
Day 2 13 November  
Day 3 11 December

Fundamentals XVII 2018 is designed as a 3-day course, with identical material being delivered at each location. It is therefore possible to attend the course by visiting different locations should delegates' diaries not allow attendance on all three days at a particular location.

## Appendix B

### Training Options available to Members

- 1. Third party training providers** -Many external providers offer training courses to members and trustees. Some are specifically aimed at LGPS schemes, others are generic in nature.
- 2. Training from fund managers**- Fund managers are generally delighted to have an opportunity to provide training to their clients or prospective clients, and are usually happy to do so at no additional cost. Such training can either be provided as an “away-day” session or immediately before the regular quarterly Pensions Sub-Committee meeting. An example of this was a briefing on Residential Housing from M&G Investors.
- 3. Presentations from investment advisers**- Advisers are usually well-placed to provide training to members, and have the benefit of a closer understanding of the fund’s investment strategy and the existing level of knowledge around the table. As with fund managers, such training can either be provided as a closed session, or as part of the regular quarterly panel meeting.  
  
Example -The Fund’s actuary and investment adviser from Mercer run a 1-hour session on the actuarial valuation for members in 2016
- 4. Fast-track one-to-one briefing sessions by advisers** -These are topic-specific intensive sessions and can be tailored to suit the individual, or a small group of individuals, requesting the training. MJ Hudson Allenbridge Advisors run a 1 to 1 for a member on the Fund, terminology and asset classes.
- 5. Briefing papers with Q&A**- Briefings can be organised at convenient times for members (eg at 6pm or 6:30pm before a pensions sub-committee meeting). Briefings can be delivered by investment advisers on a topic of interest. A time-saving alternative is to receive a briefing paper on a topic of interest and to supplement this with a short Q&A session. Briefing papers could be provided by the fund manager, the adviser, or the officers, although ideally the author of the paper should attend the Q&A session.
- 6. Web-based training** - Another alternative is to set up a discrete web area for the Pensions Committee, with a glossary of terms, thought pieces of a generic pension fund or asset class nature, “hot-links” to external websites such as CIPFA, LGPC, PLSA, TPR, and LGE and an area in which members could raise questions of a pension fund investment related nature. These web links are not investment-specific, and can offer wider training: particularly useful for new members. In particular, the CIPFA Pensions Panel is developing a financial knowledge, skills and competency framework for members, to be applied on a self-regulated basis using self-assessment, and tailored to members’ roles and experience.

Example <https://trusteetoolkit.thepensionsregulator.gov.uk/>

