

# **Merton Council**

## **Pension Fund Investment Advisory Panel**

**24 June 2021**

### **Supplementary agenda**

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## Committee:

**Merton Pension Fund Advisory Panel  
2021**

**Date: 24 June**

**Merton Pension Board  
2021**

**Date: 28 June**

Wards: All

## **Subject: Merton Pension Fund Training Policy**

Lead officer: Caroline Holland - Director of Corporate Services

Lead member: Councillor.Tobin Byers

Contact officer: Roger Kershaw- Assistant Director of Resources

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### **Recommendations:**

Members are asked to approve the attached Merton Pension Fund's Training Policy (Appendix 1) and to note that Officers will develop a training plan for 2021/22.

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## **1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY**

- 1.1. This report presents the Merton Pension Fund's Training Policy. Section 248A of the Pensions Act 2004, as amended by the Public Services Pensions Act 2013, requires that trustees of occupational pension Schemes should be trained and have knowledge and understanding of the law relating to pensions, the role of trustees, the principles of scheme funding and investment and the management and administration of pension scheme benefits.
- 1.2 To facilitate the ability to make informed Pension decisions for the benefit of all stakeholders, the Pension Fund Advisory Panel (PFAP); the Pension Board (PB) and Officers will, in performing Pension responsibilities be expected to undertake regular training to ensure they have sufficient knowledge of the LGPS, pension benefits and investment issues.
- 1.3 Accordingly, the Pensions Advisory Panel has agreed to adopt the Chartered Institute of Public Finance and Accountancy's Knowledge and Skills Framework (CIPFA KSF)

## **2 DETAILS**

- 2.1. A Training Policy has been developed for the London Borough of Merton in its role as the Administering Authority of the Merton LGPS Pension Fund. The policy details the training strategy for members of the PFAP, PB and senior officers responsible for the management of the Fund.
- 2.2. The Training Policy is established to aid the PFAP, PB members and officers in performing and developing personally in their individual roles,

with the ultimate aim of ensuring that Merton Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills.

- 2.3 The Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise, and that this knowledge and expertise is maintained within the continually changing LGPS and wider pensions landscape.
- 2.4 Those persons responsible for governing the Fund have sufficient expertise 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.
- 2.5 The implementation of MiFIDII reclassifies local and public authorities as retail investors from 3rd January 2018. The authority elected for a return to professional status in order to ensure it could access the full range of vehicles and managers to meet the needs of the investment strategy.
- 2.6 To maintain the professional status with investment managers and to take advantage of new investment options the Fund has a responsibility to ensure that the PFAP members and the officers have the relevant knowledge and they receive regular training to make effective investment decisions.

### **3 ALTERNATIVE OPTIONS**

- 3.1. N/A

### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

Discussions of the training needed at officer level and other councils. Looking at option to buy a training programme collectively with few other boroughs. This will enable to panel, Board and the officers to have the relevant training and will be able to complete the training at their own time and convenience.

### **5 TIMETABLE**

- 5.1. Throughout the year

### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- 6.1. All training costs will be met directly by the Pension Fund.

### **7 LEGAL AND STATUTORY IMPLICATIONS**

- 7.1. Not applicable

### **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- 8.1. Not applicable

### **9 CRIME AND DISORDER IMPLICATIONS**

- 9.1. Not applicable

## **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. Not applicable

## **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Training policy

## **12 BACKGROUND PAPERS**

12.1. LGPS and CIPFA training guidance.

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# **London Borough of Merton Pension Fund- Training Policy**

This policy provides details of the training strategy for the Merton Pension Fund. It sets out the arrangements for the training and development of:

- members of the Merton Pensions Fund Advisory Panel (including co-opted members)
- the Local Pensions Board
- senior officers involved in the day to day management of the Merton Pension Fund (the Fund)

Section 248A of the Pensions Act 2004, as amended by the Public Services Pensions Act 2013, requires that trustees of occupational pension Schemes should be trained and have knowledge and understanding of the law relating to pensions, the role of trustees, the principles of scheme funding and investment and the management and administration of pension scheme benefits.

## **Aims and objectives**

Merton Council recognises its responsibilities as the administering authority to the Merton Pension Fund on behalf of its stakeholders and our objectives in relation to this policy are to ensure that:

- those persons charged with the financial management and decision-making about the Fund are fully equipped with the knowledge and skills required to discharge the duties and responsibilities allocated to them
- those persons responsible for the day-to-day administration and running of the Fund have the appropriate level of knowledge and skills required to discharge their duties and responsibilities
- those persons responsible for providing governance and assurance of the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, to ensure their decisions are robust and soundly based
- members of the Local Pensions Board have sufficient knowledge and understanding to challenge any failure by the administering authority to comply with the regulations and other legislation relating to the governance and administration of the LGPS and/or any failure to meet the standards and expectations set out in the Regulators Codes of Practice

All members and officers to whom this policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that these objectives are met.

To achieve these objectives, the Fund will have regard to the following publications:

- CIPFA Technical Knowledge and Skills Framework for Local Pension Boards
- CIPFA Knowledge and Skills Framework
- Public Service Pensions Act 2013
- The Pensions Regulator's (TPR) Codes of Practice for Public Service Schemes
- Local Government Pension Scheme (LGPS) Pension Board Guidance

Merton Council fully supports the use of the CIPFA Knowledge and Skills Frameworks, and the Pension Regulators Codes of Practice. These documents will form the basis of the training strategy using a rolling training plan together with regular monitoring and reporting.

Caroline Holland, the Director of Corporate Services (scheme administrator) at Merton Council is the Fund's designated named individual responsible for ensuring that this training policy is implemented. However, the practical arrangements for organising and ensuring the delivery of timely and appropriate training has been delegated to the Head of Treasury and Pensions.

The council's approach to training will be supportive in nature with the intention of providing panel and Local Pension Board members with regular sessions that will contribute to their level of skills and knowledge.

## **Areas of knowledge and understanding required**

The core technical requirements for those working in public sector finance are:

### **1. Pensions legislation**

To have a working knowledge of the Local Government Pension Scheme regulatory and legislative frameworks and discretionary policies.

### **2. Public sector pensions governance**

To understand elements of the governance structure, including the role of the Local Pension Board.

### **3. Pensions administration**

To understand the requirements of the scheme's interactions with members in this complex area and assist the scheme manager to ensure compliance with the regulations.

### **4. Pensions accounting and auditing standards**



To understand the way pension funds are accounted for and the audit and reporting requirements.

## **5. Investment performance and risk management**

To gain an understanding of investment risks and performance.

## **6. Financial markets and product knowledge**

To understand how the Fund manages its investment portfolio, to ensure that this is done effectively.

## **7. Actuarial methods, standards and practices**

To understand the work of the actuary and the way in which actuarial information is produced.

All committee, panel, Local Pension Board members and officers must have a knowledge and understanding of the law relating to pensions (and any other matters prescribed in legislation) to a degree appropriate for them to be able to carry out their role, responsibilities and duties.

# **Training plan**

Training will be delivered through a variety of methods including:

- in-house training provided by officers or external trainers
- training as part of a formal meeting
- external training events
- circulation of reading material
- shared training with other Funds or frameworks
- attendance at seminars and conferences
- on-line training toolkit provided by the Pensions Regulator
- self-improvement and familiarisation with regulations and documents

Where appropriate, training will be provided jointly for the panel and Local Pensions Board members and officers.

A training schedule will be developed by officers in consultation with the panel and Local Pensions Board to achieve the following:

- **maintain a general awareness to ensure members have an ongoing understanding and knowledge of developments and current issues in the pensions' arena**
- **training is delivered to ensure appropriately timed training is provided in relation to 'hot topics'**
- **individual and collective training needs are assessed and delivered**

**In order to identify whether the objectives of this training policy are being met, the administering authority will maintain a training log which records any training delivered, as well as the attendance of committee, panel and Local Pension Board members at training events and learning activities.**

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of the Local Government Act 1972.

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