

<b>Item No.</b> 11.	<b>Classification:</b> Open	<b>Date:</b> 27 September 2023	<b>Meeting Name:</b> Pensions Advisory Panel
<b>Report title:</b>		Pension Fund Draft Training Policy	
<b>From:</b>		Pensions Investments Manager	

**Recommendations**

1. The pensions advisory panel is asked to:
  - Consider and discuss the draft training policy (Appendix 1) for the Pensions Advisory Panel (PAP) members, Local Pensions Board members and for those officers dealing with matters relating to the Pension Scheme.
  - Recommend to the Local Pension Board of 11 October 2023 that the policy is agreed in principle.

**Background**

2. The 2023 consultation on the future direction of LGPS pooling includes references to the need for appropriate expertise for those tasked with pension fund decision making. Members of Pensions Boards have mandatory training requirements. However, this is not currently the case for the Pensions Advisory Panel, although it is generally accepted as best practice.
3. Under the consultation, Government is proposing that each administering authority set out a training policy for committee members (i.e. members of PAP) and that the training undertaken by members should be reported on regularly.
4. Under the Markets in Financial Instruments Directive II (MiFiD II) regulations (which came into effect on 3 January 2018), those that are responsible for the management of the LB Southwark PF need to demonstrate a high level of skills and knowledge to enable the Fund to be recognised as a professional investor. Being designated as a retail investor status means that the Fund will not have access to the type of investment product commensurate with the types of investment in which the Fund invests.
5. Failure to adequately demonstrate a high level of collective knowledge and skills across the Pensions Advisory Panel, Local Pension Board and officers could result in the loss of professional investor status hence access to the appropriate investment opportunities.

6. Southwark Council is committed to providing training to those involved in the governance of the Southwark Pension Fund and to ensure that the Pensions Advisory Panel and the Local Pensions Board members have the necessary skills and knowledge to effectively discharge their responsibilities. There is an expectation that officers involved in the governance of the Fund participate in relevant training activities as part of their Continuing Professional Development.

### **LBS Pension Fund Training Policy**

7. The draft training policy is at Appendix 1. If adopted, the policy will apply to all members of PAP, whether voting or not, members of the Local Pensions Board and officers responsible for the management of the Pension Fund.
8. The objectives of this policy are to:
  - i. Ensure that the Fund is managed, and its services delivered, by members and officers with the appropriate knowledge and expertise to demonstrate competence in their role.
  - ii. Provide those with responsibility for governing the Fund the tools to evaluate the information that they receive and feel confident in being able to challenge where appropriate.
  - iii. Support effective and robust decision making, ensuring that decisions are comply with prevailing regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for the Department for Levelling up, Housing and Communities (DLUHC).
  - iv. Ensure an understanding of the operation and administration of the LB Southwark Pension Fund.
9. The policy sets out a plan to evaluate training needs on an ongoing basis, an outline of suitable training opportunities and the process for reporting on training activities.

### **Community, Equalities (including socio-economic) and Health Impacts**

#### **Community Impact Statement**

10. There are no immediate implications arising.

#### **Equalities (including socio-economic) Impact Statement**

11. There are no immediate implications arising.

#### **Health Impact Statement**

12. There are no immediate implications arising.

### Climate Change Implications

13. There are no immediate implications arising.

### Resource Implications

14. There are no immediate implications arising.

### Legal Implications

15. There are no immediate implications arising

### Consultation

16. There are no immediate implications arising.

### Financial Implications

17. There are no immediate implications arising.

### APPENDICES

Name	Title
Appendix 1	London Borough of Southwark Pension Fund Training Policy (Draft)

### AUDIT TRAIL

<b>Lead Officer</b>	Clive Palfreyman, Strategic Director of Finance	
<b>Report Author</b>	Tracey Milner, Interim Pension Investments Manager	
<b>Version</b>	Final	
<b>Dated</b>	15 September 2023	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments Included</b>
Director of Law and Democracy	No	No
Strategic Director of Finance	No	No
<b>Cabinet Member</b>	No	No
<b>Date final report sent to Constitutional Team</b>	18 September 2023	