

## Committee:

### London Borough of Merton Pension Fund Advisory Panel

Date: 09 January 2020

Wards: All

### Subject: Merton Pension Fund Training Policy and Plan

Lead officer: Caroline Holland - Director of Corporate Services

Lead member: Councillor.Mark Allison

Contact officer: Roger Kershaw- Assistant Director of Resources

This is a Public Document

#### RECOMMENDATION

Members are asked to note the content of this report in particular the training plan for 2020/21 and approve the attached Merton Pension Fund's Training Policy (Appendix 1)

#### 1.0 PURPOSE OF REPORT

- 1.1 This report presents the Merton Pension Fund's Training Policy. The 2004 Pensions Act and the Markets in Financial Instruments Directive (MIFIDII) require the trustees of occupational pension schemes to be appropriately trained; have knowledge and understanding of the law relating to pensions and role of trustees; understand 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.

#### 2.0 Context

- 2.1 This is the Training Policy of 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.

### **3.0 Objective**

- 3.1 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.
- 3.2 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.
- 3.3 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.
- 3.4 To maintain the professional status with the investment managers and to take advantage of new investment options the Fund have 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.

### **4.0 CIPFA Knowledge and Skills Framework**

- 4.1 The Chartered Institute of Public Finance and Accounting (CIPFA) has developed a technical knowledge and skills framework. This framework is intended as a tool for pension funds to determine whether they have the right skill mix to meet their scheme financial management needs and as an assessment tool for individuals to measure their progress and plan their development.
- 4.2 The Fund has to demonstrate that it has adopted the knowledge and skills framework as a basis for the training and development of Members and officers, or outline what alternative basis it has selected to determine develop and measure their skills.

### **5. OTHER ISSUES AFFECTING THE FUND**

None

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

6.1 None.

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

7.1 None.

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

8.1 N/A

### **9. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

9.1 None