

Essex Pension Fund Strategy Board	PSB 05b
Date: 20 March 2024	

Essex Pension Fund (EPF) Policies and Publications: Knowledge and Sills Strategy

Report by the Head of Fund Compliance and Governance in consultation with the Independent Governance and Administration Adviser (IGAA)

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This Report requires a decision

Executive Summary

Report Type: Governance

As part of the Fund's 2023/24 Business Plan, all Board/Committee Members were asked to participate in the Hymans Robertson Knowledge and Skills Assessment. From the results, a new two-year Training Plan has been developed based on the LGPS Online Learning Academy (LOLA) and The Pensions Regulator's General Code of Practice.

In addition, a new Knowledge and Skills Strategy for Board/Committee Members has been developed where a full review has been undertaken including the review of credits awarded and the credits required to achieve within a two-year rolling programme.

1. Purpose of the Report

- 1.1 To provide the Board with the revised Knowledge and Skills Strategy and new two-year Training Plan.

2. Recommendations

- 2.1 That the Board **approve** the revised Knowledge and Skills Strategy and two-year Training Plan.

3. Background

- 3.1 The Knowledge and Skills Strategy was last approved by the Essex Pension Fund Strategy Board (PSB) at its meeting on 16 December 2020.
- 3.2 A revised version of the Strategy is attached at Appendix A.
- 3.3 The Strategy aids PSB, Investment Steering Committee (ISC) and Essex Pension Fund Advisory Board (PAB) Members in performing and developing personally in their individual roles, with the ultimate aim of ensuring the Fund is managed by individuals who have appropriate levels of knowledge and skills.
- 3.4 The Knowledge and Skills Strategy incorporates the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA), The Pensions Regulator (TPR), Markets in Financial Instruments Directive (MiFID II), Department of Levelling Up, Housing and Communities (DLUHC) Statute and Governance Guidance encompassed by the LGPS Online Learning Academy (LOLA) which the Board signed up to in September 2021.
- 3.5 The Knowledge and Skills Strategy will be continually reviewed in line with future reforms.

4. Revision of the EPF Knowledge and Skills Strategy

- 4.1 Fund Officers reviewed the results of the Knowledge and Skills Assessment, developed by Hymans Robertson, which took into account the modules held on LOLA.
- 4.2 From this assessment, Fund Officers were able to gauge the level of knowledge obtained by Board/Committee Members and where gaps had been identified. This has been captured at both Board/Committee level and individual level.
- 4.3 From the review of the Knowledge and Skills Strategy in line with the assessment undertaken, the Fund review the requirements of TPR's General Code of Practice and LOLA (which already incorporates CIPFA, MiFID II and DLUHC Statute and Governance Guidance).
- 4.4 In addition, Fund Officers reviewed the level of training credits required and how this would be counted going forward which have been captured within the Strategy.

- 4.5 An overview of the new areas to be undertaken within the two-year Training Plan will be presented at the 20 March 2024 meeting.
- 4.6 The revised Knowledge and Skills Strategy has been provided at Appendix A for the Board's approval.

5. Next Steps

- 5.1 The Fund will issue new Group and Individual Training Plans to each Board/Committee Member and will update them on a quarterly basis (every six months at their PSB/PAB meeting and every alternate six months through their updated Training Plans).
- 5.2 In addition, the Fund may be required to review the Strategy and Training Plan again during 2025/26 should the May 2025 elections change the Membership of the Boards/Committee to the extent where the level of knowledge held is impacted.

6. Link to Essex Pension Fund Objectives

- 6.1 Regular review of the Knowledge and Skills Strategy will assist the Board in achieving the following Fund objectives:
- Ensure compliance with the LGPS regulations, other relevant legislation and the Pensions Regulator's Codes of Practice;
 - Act with integrity and be accountable to our stakeholders; and
 - Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services is protected and preserved.

7. Risk Implications

- 7.1 Failure to develop and publish a Knowledge and Skills Strategy could result in:
- non-compliance with regulations caused by lack of knowledge by Board/Committee Members, changes in government policy/LGPS reforms and systems not kept up-to-date leading to reputational damage and financial loss; and

- failure of governance arrangements to match up to statutory requirements and recommended best practice leads to financial loss and reputational damage.

8. Communication Implications

- 8.1 The revised Knowledge and Skills Strategy will be published on the Fund's website.
- 8.2 Other than ongoing reporting to the PSB, there are no communication implications.

9. Finance and Resource Implications

- 9.1 External Training courses and/or Seminars/Conferences may incur a fee and therefore must not be booked until authorisation has been received from the Compliance Team in line with the ECC Foreign Travel, Gifts and Hospitality Policy.
- 9.2 Internal Training provided by the Fund may also incur charges that relate to the Fund's external Advisers.

10. Background Papers

- 10.1 Outcome of Individual Training Needs Analysis (TNA) and proposal for Online Training, PSB 03, 22 September 2021.
- 10.2 Essex Pension Fund Policies, PSB 06, 16 December 2020.
- 10.3 Essex Pension Fund Policies, PSB 05, 23 September 2020.