

TEESSIDE PENSION FUND

Administered by Middlesbrough Council

AGENDA ITEM 9

TEESSIDE PENSION BOARD REPORT

19 APRIL 2021

DIRECTOR FINANCE – IAN WRIGHT

National Knowledge Assessment Outcome - Update

1. PURPOSE OF THE REPORT

- 1.1 To update Members of the Teesside Pension Board (the Board) on the proposals agreed by the 10 March 2021 Pension Fund Committee following the outcome of the National Knowledge Assessment recently undertaken by Board and Pension Fund Committee members.

2. RECOMMENDATIONS

- 2.1 That Members note this report and provide any comments on how training could best be delivered in future.

3. FINANCIAL IMPLICATIONS

- 3.1 There are no specific financial implications in respect of the information contained in this report. The Pension Fund Committee has already agreed to a training budget as detailed below.

4. BACKGROUND

- 4.1 The Pension Fund Committee and the Board have used a knowledge assessment tool developed by actuarial and consultancy firm Hymans Robertson, designed to help assess the knowledge and understanding of local pension boards and pension fund committees.
- 4.2 The knowledge assessment tool consists of at least five multiple choice questions in each of the following areas:
 - Committee Role and Pensions Legislation
 - Pensions Governance
 - Pensions Administration
 - Pensions Accounting and Audit Standards
 - Procurement and Relationship Management

- Investment Performance and Risk Management
- Financial Markets and Product Knowledge
- Actuarial Methods, Standards and Practices

4.3 Hymans Robertson analysed the outcome of the assessment and as well as providing each participant with individual scores and feedback collated the information into a report. Extracts from the report were presented to the 8 February 2021 Board meeting and the 10 March 2021 Pension Fund Committee meeting.

4.4 The report identified a number of areas where the Committee and Board would benefit from additional training and included a suggested training plan.

5. TRAINING PLAN AND BUDGET

5.1 At its 10 March 2021 meeting the Pension Fund Committee agreed the following:

- The training plan in Appendix A should be delivered to Committee and Board members.
- A training budget initially set at £40,000 is set aside to allow external companies and individuals to be commissioned to assist with this training where appropriate.
- Expenditure on external training will be determined by the Head of Pensions Governance and Investments in consultation with the Chair and Vice Chair.

6. NEXT STEPS

6.1 The Head of Pensions Governance and Investments will investigate options to deliver the training plan within budget, and looking to ensure maximum participation and value is delivered to Board and Pension Fund Committee members. An initial focus will be on the induction of any new Members following the Council's annual general meeting in May 2021.

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Suggested Training Plan

We have put together a summarised training plan below, picking out the key areas for development based on participant assessment results and the training requests. We would further advise that the Fund remains flexible with the training topics chosen and that regular reviews of the most pertinent training given assessed at regular (monthly) intervals. By keeping track at this level of frequency, the Fund can properly assess its progress against its Training plan and training strategy.

2021/22 – Q1	<ul style="list-style-type: none"> Pensions administration, which as well as being low scoring for the Board and Committee, was also the second most requested topic. It might also be beneficial McCloud as part of the session.
2021/22 – Q2	<ul style="list-style-type: none"> The impact of COVID-19 on the Fund + investment performance and Environmental, Social & Governance topic(s). We would also suggest that some time is included to discuss the SAB Good Governance project.
2021/22 – Q3	<ul style="list-style-type: none"> For the Board – procurement and relationship management and pension administration For the Committee – the role of the committee which was one of the lower scoring areas and is arguably one of the most important areas for the Committee to understand. We would also advise a session is devoted to pension administration.
2021/22 – Q4	<ul style="list-style-type: none"> For the Committee – actuarial methods For the Board – financial markets and product knowledge.
2022/23 – Q1	<ul style="list-style-type: none"> Valuation training sessions – purpose, role, outcomes etc. This has been timed to coincide with the 2022 Actuarial Valuations.
2022/23 – Q2	<ul style="list-style-type: none"> Pensions governance