

# London Borough of Hillingdon Pension Fund

## Training Policy

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# TRAINING POLICY

## Introduction

This is the Training Policy of the London Borough of Hillingdon Pension Fund (the Fund), which is managed and administered by the London Borough of Hillingdon. It details the training strategy for those involved in the management of the Fund.

The Training Policy is established to aid Pensions Committee, local Pension Board members and senior officers in performing and developing in their individual roles, with the ultimate aim of ensuring that London Borough of Hillingdon Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills.

## Aims and Objectives

London Borough of Hillingdon recognises the significance of its role as Administering Authority to the London Borough of Hillingdon Pension Fund.

In relation to knowledge and skills of those managing the Fund, the Administering Authority's objectives are to ensure that:

- the London Borough of Hillingdon Pension Fund is appropriately managed and that its services are delivered by people who have the requisite knowledge and expertise, and that this knowledge and expertise is maintained within the continually changing Local Government Pension Scheme and wider pensions landscape.
- those persons responsible for governing the London Borough of Hillingdon Pension 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.

All Pensions Committee, local Pension Board members and senior 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 assist in achieving these objectives, the London Borough of Hillingdon Pension Fund will aim to comply with:

- the CIPFA Knowledge and Skills Frameworks and
- the knowledge and skills elements of the Public Service Pensions Act 2013 and the Pensions Regulator's (tPR) Code of Practice for Public Service Pension Schemes.

## To whom this Policy Applies

This Training Policy applies to all members of the Pensions Committee and the local Pension Board, including scheme member and employer representatives. It also

applies to all officers in the London Borough of Hillingdon Pension Fund Management Team and the Section 151 Officer.

Less senior officers involved in the daily management of the Fund will also be required to have appropriate knowledge and skills relating to their roles, which will be determined and managed by the Deputy Director, Strategic Finance.

Advisers to the London Borough of Hillingdon Pension Fund are also expected to be able to meet the objectives of this Policy.

Officers of employers participating in the London Borough of Hillingdon Pension Fund who are responsible for pension matters are also encouraged to maintain a high level of knowledge and understanding in relation to LGPS matters, and the London Borough of Hillingdon will provide appropriate training for them. This will be covered further in the London Borough of Hillingdon Pension Fund Administration Strategy.

### **CIPFA and tPR Knowledge and Skills Requirements**

#### *CIPFA Knowledge and Skills Framework and Code of Practice*

In January 2010 CIPFA launched technical guidance for pension committees and non-executives in the public sector within a knowledge and skills framework. The Framework set the skill set for those responsible for pension scheme financial management and decision making.

Subsequently, in July 2015 CIPFA launched technical guidance for local pension board members by extending the existing knowledge and skills frameworks in place. This Framework sets the skill set to enable pension board members to properly exercise their functions under Section 248a of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013.

The Framework covers eight areas of knowledge and skills identified as the core requirements (which includes all those covered in the original Committee and non-executives framework):

- Pensions legislation
- Public section pensions governance
- Pensions administration
- Pension accounting and auditing standards
- Financial services procurement and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards and practice

CIPFA's Code of Practice recommends (amongst other things) that administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework (or an alternative training programme)

- ensure that the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
- publicly report how these arrangements have been put into practice each year, including what assessment of training needs has been undertaken, and what training has been delivered against the identified needs.

#### *The Pension Regulator's Code of Practice*

The Public Service Pensions Act 2013 (PSPA13) requires Pension Board members to:

- be conversant with the rules of the scheme and any document recording policy about the administration of the scheme, and
- have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Pension Board.

These requirements have been incorporated and expanded on within tPR's Code of Practice 14: Governance and Administration of Public Service Pension Schemes which came into force in April 2015.

#### *Application to the London Borough of Hillingdon Pension Fund*

London Borough of Hillingdon fully supports the use of the CIPFA Knowledge and Skills Framework, and tPR's Code of Practice and adopts the principles they set out. This Training Policy highlights how the Administering Authority will strive to achieve those principles through use of a rolling Training Plan together with regular monitoring and reporting.

#### **The London Borough of Hillingdon Pension Fund Training Plan**

London Borough of Hillingdon recognises that attaining, and then maintaining, relevant knowledge and skills is a continual process for Pensions Committee, local Pension Board members and senior officers, and that training is a key element of this process. London Borough of Hillingdon will develop a rolling Training Plan based on the following key elements:

### Individual Training Needs

A training needs analysis will be developed for the main roles of Pensions Committee members, Pension Board members and senior officers customised appropriately to the key areas in which they should be proficient. Training will be required in relation to each of these areas as part of any induction and on an ongoing refresher basis.

### Hot Topic Training

The Training Plan will be developed to ensure appropriately timed training is provided in relation to hot topic areas, such as a high risk area or an area of change for the Fund. This training may be targeted at specific roles.

### General Awareness

Pensions Committee members, Pension Board members and senior officers are expected to maintain a reasonable knowledge of ongoing developments and current issues, which will allow them to have a good level of general awareness of pension related matters appropriate for their roles and which may not be specific to the Fund.

Each of these training requirements will be focussed on the role of the individual i.e. a Pensions Committee, a Pension Board member or the specific role of the officer.

Training will be delivered through a variety of methods including:

- In-house training days provided by officers and/or external providers
- Training as part of meetings (e.g. Pensions Committee and Pension Board meetings) provided by officers and/or external advisers
- External training events
- Circulation of reading material
- Attendance at seminars and conferences offered by industry-wide bodies
- Attendance at meetings and events with the London Borough of Hillingdon Pension Fund's investment managers and advisors
- Links to on-line training
- Access to the London Borough of Hillingdon website where useful Fund specific material is available

In addition London Borough of Hillingdon Pension Fund officers and advisers are available to answer any queries on an ongoing basis including providing access to materials from previous training events.

### **Initial Information and Induction Process**

On joining the Pensions Committee, the Pension Board or the London Borough of Hillingdon Pension Fund Management Team, a new member, officer or adviser will be provided with the following documentation to assist in providing a basic understanding of London Borough of Hillingdon Pension Fund:

- The members' guide to the Local Government Pension Scheme (LGPS)
- The latest Actuarial Valuation report
- The Annual Report and Accounts, which incorporate:
  - The Funding Strategy Statement
  - The Governance Policy and Compliance Statement
  - The Statement of Investment Principles including London Borough of Hillingdon Pension Fund's statement of compliance with the LGPS Myners Principles
  - The Communications Policy
  - The Administration Strategy
- The Administering Authority's Discretionary Policies
- This Training Policy

In addition, an individual training plan will be developed to assist each member, Pension Board member or officer in achieving their identified individual training requirements within six months of those requirements being identified.

### **Monitoring Knowledge and Skills**

In order to identify whether the objectives of this policy are being met the Administering Authority will compare and report on attendance at training based on the following:

- Individual Training Needs – ensuring refresher training on the key elements takes place for each individual at least once every three years.
- Hot Topic Training – attendance by at least **75%** of the required Pensions Committee, Pension Board members and senior officers at planned hot topic training sessions. This target may be focussed at a particular group of Pensions Committee members, Pension Board members or senior officers depending on the subject matter.
- General Awareness – each Pensions Committee, Pension Board member or officer attending at least one day each year of general awareness training or events.
- Induction training – ensuring areas of identified individual training are completed within six months.

### **Key Risks**

The key risks to the delivery of this Policy are outlined below. The Pensions Committee, with the assistance of the Pension Board, will monitor these and other key risks and consider how to respond to them.

- Changes in Pensions Committee and/or Pension Board membership and/or senior officers potentially diminishing knowledge and understanding.
- Poor attendance and/or a lack of engagement at training and/or formal meetings by Committee Members, Pension Board Members and/or other senior officers resulting in a poor standard of decision making and/or monitoring.
- Insufficient resources being available to deliver or arrange the required training.
- The quality of advice or training provided is not an acceptable standard.

### Reporting

A report will be presented to the Pensions Committee on an annual basis setting out:

- The training provided / attended in the previous year at an individual level
- The results of the measurements identified above.

This information will also be included in the London Borough of Hillingdon Pension Fund's Annual Report and Accounts.

At each Pensions Committee and Pension Board meeting members will be provided with details of forthcoming seminars, conferences and other relevant training events.

### Costs

All training costs related to this Training Policy are met directly by London Borough of Hillingdon Pension Fund.

### Approval, Review and Consultation

This Training Policy was approved at the London Borough of Hillingdon Pensions Committee meeting on **9 December 2015**. It will be formally reviewed and updated at least every three years or sooner if the training arrangements or other matters included within it merit reconsideration.

### Further Information

If you require further information about anything in or related to this Training Policy, please contact:

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PART I - MEMBERS, PRESS AND PUBLIC

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