

# Warwickshire Pension Fund Training Policy

# WARWICKSHIRE

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# pension fund

March 2023

# Training policy

This policy provides details of the training strategy for the Warwickshire Pension Fund (the Fund).

It confirms the Training commitment of the Fund and sets out the arrangements for the training and development of:

- Members of the Warwickshire Pensions Fund Committees (Investment – Sub Committee and Staff and Pensions Committee)
- The Local Pensions Board; and
- Officers involved in the day-to-day management of the Warwickshire Pension Fund (‘the Fund’)

## Legislation

Section 248A of the Pensions Act 2004, as amended by the Public Services Pensions Act 2013, requires that trustees of occupational pension Schemes should be trained and have knowledge and understanding of the law relating to pensions, the role of trustees, the principles of scheme funding and investment and the management and administration of pension scheme benefits.

Whilst there is a legal requirement for a prescribed level of knowledge and understanding for members of a Local Pension Board, this legal requirement does not apply to members of a Pensions Committees. albeit there is a clear need for them to have knowledge and understanding to enable them to make informed and consistent decisions.

Accordingly, the Pensions Committee have agreed to adopt the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Code of Practice on LGPS Knowledge and Skills (the Code) and the Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers. (CIPFA KSF).

The CIPFA KSF therefore applies to all Members of the Pensions Committees, and the Local Pensions Board. It also applies to Officers of the Fund. Advisors are also expected to meet the objectives of the Fund’s policy.

## Code of Practice on LGPS Knowledge and Skills 2021

The Code of Practice and the CIPFA KSF were updated in May 2021 ‘...to embed the requirements for the adequacy, acquisition, retention and maintenance of the appropriate knowledge and skills...’ The Department of Levelling Up, Housing and Communities (DLUHC) is also expected to issue statutory guidance,

following the conclusions of the Good Governance Review in 2023, with clearer expectations for all parties who have a role in the LGPS, or who are involved with the management of the LGPS.

The Warwickshire Pensions Investment Sub-Committee approved this Training Policy and in doing so adopted the following statements, as recommended by the Code:

1. This LGPS administering authority adopts the key principles of the Code of Practice on LGPS knowledge and skills.
2. This LGPS administering authority recognises that effective management, governance, decision making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
3. This LGPS administering authority has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements to effectively acquire and retain LGPS knowledge and skills for those responsible for the management, delivery, governance and decision making of the LGPS
4. These policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA LGPS Knowledge and Skills Framework.
5. This LGPS administering authority will ensure that it has adequate resources in place to ensure all staff, members or other persons responsible for the management, decision making, governance and other aspects of the delivery of the LGPS acquire and retain the necessary knowledge and skills.
6. This LGPS administering authority has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the appropriate officer, who will act in accordance with the administering authority's knowledge and skills policy statement, and, where they are a CIPFA member, with CIPFA Standards of Professional Practice (where relevant).

## **Aims and objectives**

Warwickshire County Council recognises its responsibilities as the Administering Authority to the Warwickshire Pension Fund on behalf of its stakeholders which include:

- Over 54,100 current and former Employee Members of the Fund;
- Over 200 Employers in the Fund; and
- Local taxpayers.

The Administering Authority's objectives in relation to this policy are to ensure that:

- Those persons charged with the financial management and decision-making about the Fund are fully equipped with the knowledge and skills required to discharge the duties and responsibilities allocated to them;
- Those persons responsible for the day-to-day administration and running of the Fund have the appropriate level of knowledge and skills required to discharge their duties and responsibilities;
- Those persons responsible for providing governance and assurance of the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, to ensure their decisions are robust and soundly based; and
- Members of the Local Pensions Board have sufficient knowledge and understanding to challenge any failure by the Administering Authority to comply with the Regulations and other legislation relating to the governance and administration of the LGPS and/or any failure to meet the standards and expectations set out the Regulators Codes of Practice.

All Members and 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 achieve these objectives, the Fund will have regard to the following publications:

- CIPFA Technical Knowledge and Skills Framework for Local Pension Boards;
- CIPFA Code of Practice on LGPS Knowledge and Skills
- CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers
- Public Service Pensions Act 2013
- The Pensions Regulator's (TPR) Codes of Practice for Public Service Schemes.
- Local Government Pension Scheme (LGPS) Pension Board Guidance
- MIFID II
- DLUHC Statutory Guidance

Warwickshire County Council fully supports the use of the CIPFA KSF and the Pension Regulators Codes of Practice. These documents will form the basis of the training strategy using a rolling training plan together with regular monitoring and reporting.

The Director for Resources at Warwickshire County Council is the Fund's designated named individual responsible for ensuring that this Training Policy is implemented. However, the practical arrangements for organising and ensuring the delivery of timely and appropriate training has been delegated to other Officers in the Fund.

The Council's approach to training will be supportive in nature with the intention of providing both Committees and the Local Pension Board Members with regular sessions that will contribute to their level of skills and knowledge.

## **Areas of knowledge and understanding required**

There are eight core technical areas where appropriate knowledge and skills should be achieved and maintained. They are:

### **Pensions Legislation and Guidance**

A knowledge of the framework of legislation and guidance and the way in which it affects the management and operational aspects of the Local Government Pension Scheme.

### **Pensions Governance**

Understanding the requirements of the current and evolving governance framework for the LGPS as well as wider pensions industry frameworks that apply and impact the governance of the LGPS.

### **Funding Strategy and Actuarial Methods**

To understand the work of the Actuary and the way in which actuarial information impacts both the finances of the Scheme and the Scheme Employers.

### **Pensions Administration and Communications**

To understand the complex nature of administering scheme benefits and contributions and the industry wide requirements of disclosure and data quality, to ensure decisions made are in compliance with the regulations.

### **Pensions Financial Strategy, Management, Accounting, Reporting and Audit Standards**

To understand the way LGPS pension funds are resourced, budgeted, and accounted for and the role internal and external auditors play in assuring the administering authority complies with statutory requirements.

### **Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management**

To gain an understanding of investment risks (including emerging risks), asset allocation and its impact on investment performance, investment pooling arrangements (including the transition of assets into the pool).

## **Financial Markets and Products**

An understanding of the workings of financial markets and the investment vehicles available in relation to the Fund's investment strategy and how these are utilised in investment pools.

## **Pension Services Procurement, Contract Management and Relationship Management.**

An understanding of procurement requirements, including the availability of LGPS specific frameworks, to enable the appointment of third-party providers that facilitate efficient and effective pensions operations.

## **Degree of knowledge and understanding required**

Members of both Committees and the Local Pension Board Members as well as Fund Officers must have a knowledge and understanding of the law relating to pensions (and any other matters prescribed in legislation) to a level appropriate for them to be able to carry out their individual roles, responsibilities and duties and to exercise properly their delegated responsibility, on behalf of the Warwickshire Pension Fund.

The different degrees of knowledge and understanding are prescribed in the CIPFA KSF as:

### **For Members of both Pensions Committees and Local Pension Board:**

- an awareness, i.e. recognition that the subject matter exists
- a general understanding, i.e. understanding the basics in relation to the subject matter
- a strong understanding, i.e. a good level of knowledge in relation to the subject matter (but not necessary at a detailed level).

### **For Fund Officers**

- a strong understanding, i.e. a good level of knowledge in relation to the subject matter (but not necessary at a detailed level)
- a detailed level of knowledge in relation to the subject matter
- an expert level of knowledge in relation to the subject matter

# Acquiring, reviewing and updating knowledge and understanding

Members of the Pension Committees and Local Pension Board should invest sufficient time in their learning and development alongside their other responsibilities and duties.

Newly appointed members should be aware that their legal responsibilities and duties as a member of those bodies begin from the date they take up their post. They should immediately start to familiarise themselves with the scheme regulations, documents recording policy about the administration of the scheme and relevant pensions law. The Pension Regulator's Code of Practice No:14 Governance and Administration of Public Service Pension Schemes (2015) clearly states these requirements.

Members should undertake personal responsibility to complete a relevant modules on the Lola Hymans Training Platform and complete the Hymans Knowledge and Skills Assessment, when it is issued.

## Training plan

The Knowledge and Skills (KSA) will be the primary method of assessing the knowledge and skills for individual Members. The results will be used to help develop the training plan for the following year to ensure any knowledge gaps are removed as far as possible, given other areas of general training being provided.

Training will be delivered through a variety of methods including:

- In-house training provided by Officers or external trainers;
- Training as part of a formal meeting;
- External training events;
- Circulation of reading material;
- Shared training with other Funds or frameworks;
- Attendance at seminars and conferences;
- On-line training toolkit provided by the Pensions Regulator;
- Hymans Robertson ASPIRE on-line training portal; and
- Self-improvement and familiarisation with regulations and documents.

Where appropriate, training will be provided jointly for the Pensions Committee, Panel and Local Pensions Board members and Officers.

A training schedule will be developed by Officers in consultation with the Pensions Investment Sub-Committee, Panel and the Local Pensions Board to achieve the following:

- maintain a general awareness to ensure members have an ongoing understanding and knowledge of developments and current issues in the pensions' arena;
- training is delivered to ensure appropriately timed training is provided in relation to "hot topics"; and
- individual and collective training needs are assessed and delivered.

In order to identify whether the objectives of this Training Policy are being met, the Administering Authority will maintain a Training Log which records any training delivered, as well as the training events and learning activities.

## Key risks

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

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

## Reporting

A report will be presented to the Pensions Committee and the Local Pensions Board on request setting out:

- the training provided/attended in the previous year at an individual level;
- commentary on how this compares to the Training Plan; and
- any actions required, such as a review of the Training Plan.

This information will also be included in the Fund's Annual Report and Accounts.



## **Costs**

All training costs will be met directly by the Warwickshire Pension Fund.

## **Review**

This Policy will be reviewed on an annual basis.