

Training Policy for Committee Members (including Observers), Pension Board Members, and Senior Fund Officers

Introduction and Applicability

This Training Policy approved by the London Borough of Barking and Dagenham Pensions Committee on 16 March 2022 sets out the policy regarding Local Government Pension Scheme (LGPS) knowledge and skills in respect of:

- Members of the Pensions Committee.
- Observers of the Pensions Committee.
- Senior Officers of the Fund.
- Members of the Local Pensions Board.

This Policy has been prepared taking particular account of the CIPFA Code of Practice on LGPS Knowledge and Skills 2021, which was adopted by the Pensions Committee on 14 December 2021. Particular account has also been taken of the CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers 2021, and appropriate account of the CIPFA Local Pension Boards: A Technical Knowledge and Skills Framework 2015.

The format of this Training Policy takes account of the guidance in the 2021 CIPFA Knowledge and Skills Framework that it should include the following statements from the 2021 CIPFA Code of Practice:

CIPFA Code of Practice on LGPS Knowledge and Skills Statements

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 administering authority has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of 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 those set down in the CIPFA LGPS Knowledge and Skills Framework.

5. This 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 LGPS knowledge and skills.
6. This administering authority will report annually on how its knowledge and skills policy has been put into practice throughout the financial year in the fund's annual report.
7. This 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).

The above seven Statements were specifically adopted by the Pensions Committee at its meeting on 14 December 2021.

Policy Aims and Objectives

1. Pension Fund decision making, management, delivery and monitoring is undertaken by people who have the appropriate Knowledge and Skills.
2. Those persons responsible for decision making, management, delivery and monitoring have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.
3. Knowledge and Skills are obtained, maintained, and updated in the light of the requirements of and developments in legislation, regulation, guidance, governance, investment and administration relating to the LGPS.
4. The collective expertise, experience, and knowledge of Committee Members (taking into particular account of any assistance from the Fund's appointed Investment Consultant, and also, as appropriate, input from Fund Officers and other external advisors) be such that each of the Fund's Investment Managers, can with confidence, gain reasonable assurance that the Fund as the client is capable of making investment decisions and understanding the nature of risks involved in the context of the transactions or services envisioned. This is required to maintain the Funds status as an Elective Professional Client under MiFID II (Markets in Financial Instruments Directive) which came into effect from 3 January 2018.

5. In making decisions Pension Committee Members understand why they should put aside political considerations, act in the interests of all Employers and individual Fund members and act within the regulatory framework.

Adherence to relevant Legislation and Guidance

In delivering the Policy Aims and Objectives the Fund will have regard to all relevant legislation and guidance as it applies to the LGPS. This includes the following:

- Public Service Pensions Act 2013.
- LGPS Regulations and LGPS Statutory Guidance.
- Local Authorities (Functions and Responsibilities) (England) Regulations 2000.
- Fiduciary and public law duties relevant to the management of the LGPS (with particular reference to the Legal Opinions and Summaries section of the LGPS Scheme Advisory Board for England & Wales website).
- General Pensions Legislation and Regulations applicable to the LGPS including elements of the Pensions Acts (as amended) 1995, 2004, 2008 and Pensions Scheme Act 2021.
- MiFID II (Markets in Financial Instruments Directive) and Scheme Advisory Board for England and Wales guidance/process.
- The Pensions Regulator Code of Practice No 14.
- The CIPFA Code of Practice on LGPS Knowledge and Skills, 2021.
- The CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers, 2021.
- The CIPFA Local Pension Boards: A Technical Knowledge and Skills Framework, 2015.
- Any document recording policy about the Governance, Funding, Investment, Administration, or Communications of the London Borough of Barking and Dagenham Pension Fund which is for the time being adopted in relation to the scheme.
- The proposals in the Good Governance: Phase 3 Report to SAB (Hymans Robertson) and the SAB (Scheme Advisory Board for England & Wales) Action Plan to implement these of February 2021.

Competencies

Pension Committee Members (and Observers) and Senior Officers

CIPFA (Knowledge and Skills Framework 2021) has identified eight core technical areas where appropriate knowledge and skills should be achieved and maintained by Pension Committee Members (including Observers) and Officers. These are:

- pensions legislation and guidance
- pensions governance
- funding strategy and actuarial methods
- pensions administration and communications
- pensions financial strategy, management, accounting, reporting and audit standards
- investment strategy, asset allocation, pooling, performance, and risk management
- financial markets and products
- pension services procurement, contract management and relationship management.

The CIPFA Knowledge and Skills Framework 2021 includes separate detailed knowledge matrices for Pension Committee Members (and Observers) on pages 32 to 36 and Senior Officers on pages 37 to 44 which are based on the core areas of knowledge listed above. This Policy adopts the knowledge matrices as set out in the CIPFA 2021 Framework. For each subject matter within each core area the CIPFA Framework (page 36) sets out the levels of knowledge required (in ascending order of the level of knowledge required)

For Committee Members (and Observers):

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

For Senior Officers:

- a strong understanding, ie 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

The CIPFA Knowledge and Skills Framework 2021 states (page 17) “*All members of a pension committee are expected to have appropriate knowledge and skills relating to their LGPS duties. However, it is considered appropriate to*

consider the knowledge and skills of a committee as a collective, ie ensuring that the collective degree of knowledge and understanding is appropriate for the purposes of enabling the committee as a whole to properly exercise their delegated responsibility on behalf of the administering authority. Accordingly, although desirable, it is not necessary for every member of the committee to be able to demonstrate individually that they meet all the expected knowledge and skills competencies...Administering authorities must be able to demonstrate and explain that the combined knowledge and understanding of the pension committee (or sub-committee), together with the advice available to the committee, enable them to properly exercise their delegated functions. The administering authority must maintain an effective plan for the ongoing maintenance and development of the committee's knowledge. They must also be able to demonstrate how competency will be maintained, including how they will identify and address skills gaps and seek to increase knowledge."

Members of the Local Pensions Board

CIPFA (Local Pension Boards A Technical Knowledge and Skills Framework 2015) has identified eight core technical areas where appropriate knowledge and skills should be achieved and maintained by Local Pension Board Members. These are:

- Pensions Legislation
- Public Sector Pensions Governance
- Pensions Administration
- Pensions Accounting and Auditing Standards
- Financial Services Procurement and Relationship Management
- Investment Performance and Risk Management
- Financial Markets and Product Knowledge
- Actuarial Methods, Standards and Practices

For each core area the CIPFA Local Pension Boards A Technical Knowledge and Skills Framework 2015 provides (pages 11 to 13) a framework which sets out subject areas to be covered and the level of understanding/knowledge/awareness required. This 2015 CIPFA Framework also includes (pages 21 to 23) details of Pension Board Members Knowledge and Skills Responsibilities under the Pensions Regulator Code of Practice No 14. This Policy adopts pages 11 to 13 and 21 to 23 of the CIPFA Local Pension Boards A Technical Knowledge and Skills Framework 2015.

Delivery of Training

In delivering Training consideration will to various training resources and methods. This may include but are not restricted to:

- In house Training events at Council Offices or virtually

- Training as part of Committee or Board meetings or immediately before or after such meetings
- Regular updates to Committee and/or Board from Officers or advisors
- External courses, seminars, and conferences
- External online training including webinars
- Self directed training including the Hymans Robertson Online Learning Academy and the TPR Public Service Toolkit
- Reading material/documentation/information
- Qualifications, particularly those relevant to senior officers

To ensure that training includes sufficient specific focus on the Barking and Dagenham Pension Fund the Fund Officers will, as appropriate commission Training from the Independent Advisor, Investment Consultant, Fund Actuary, Investment Managers, other suppliers.

Induction Training will be offered to anyone joining the Pensions Committee, Local Pensions Board or becoming a senior officer. This will be in a format determined by the Investment Fund Manager. They will also be immediately provided with documentation that provides a basic understanding of the Fund and copies of or links to the Fund Strategies and Policies including the latest Annual Report & Accounts, and the latest Actuarial Valuation Report.

In addition, they must successfully complete (and provide evidence of this to Fund Officers) both all the modules of the Hymans Robertson LGPS Online Learning Academy and The Pensions Regulator (online) Public Service Toolkit. Both courses must be completed within 6 months of appointment.

An Annual Training Plan will be developed for each of the Committee and the Local Pension Board. Each will be presented at the first meeting of the Financial Year. The Plan will include reference to the Core Technical Areas identified in the relevant CIPFA Knowledge and Skills Framework. The Annual Training Plan will include key training sessions to be delivered internally (by Officers, Fund Advisors, or suppliers).

Monitoring and Review

The Fund will assess on an ongoing basis whether Committee Members, Board Members and Senior Officers have the required Knowledge and Skills to undertake their role. Therefore, the Fund will:

- Require Committee Members (including Observers), Pension Board Members and Senior Officers to undertake a self assessment against the competencies as set out in the CIPFA Framework 2021 or 2015, as appropriate. This will be required following appointment and then annually

- Prepare tailored Training Plans for Committee Members (including Observers), Pension Board Members and Senior Officers
- Record attendance and ensure appropriate action is taken where poor attendance or non completion of required learning is identified
- Make available a record of training attended by Committee Members, Pension Board Members and Senior Officers in the Fund Annual Report and Accounts
- Regularly communicate with Committee Members, Board Members and Senior Officers to encourage them to highlight training needs on a regular basis

The responsibility for informing the Fund of actual attendance at any training event and that their Training Record is accurate and up to date lies with the participant.

Reporting and Compliance

The Fund Annual Report and Accounts will include details of all training delivered/facilitated by the Fund to Committee Members, Pension Board Members and Senior Officers and details of actual attendance. Details of external training attended/completed will also be included provided the participant has informed the Investment Fund Manager in writing/by email.

There will be regular reports (at least two annually) to both the Pensions Committee and the Board on training undertaken by Committee Members, Board Member and Senior Officers; actual attendance levels; and planned future Fund provided/facilitated training.

In accordance with the CIPFA Code of Practice on LGPS Knowledge and Skills 2021, the London Borough of Barking and Dagenham has nominated an individual to be responsible for ensuring that this Policy is implemented. The nominated individual is the Investment Fund Manager.

In accordance with the CIPFA Knowledge and Skills Framework for LGPS Committee Members and LGPS Officers 2021, the Investment Fund Manager (nominated individual) will take action where anyone covered by this Policy is not adhering to the requirements of the policy - for example not completing a self assessment of training needs or satisfactorily participating in training. This action will include reporting noncompliance in the regular reports on Training to the Pensions Committee and the Board.