

# Cambridgeshire Pension Fund Training Strategy 2016

## Contents

|   | Page |
|---|------|
| Introduction                            | 1    |
| Purpose of the Strategy                 | 1    |
| Effective date                          | 3    |
| Review                                  | 3    |
| Scope                                   | 3    |
| Delivery of Training                    | 3    |
| On-going development                    | 5    |
| Recording Training                      | 6    |
| CIPFA Requirements                      | 8    |
| Guidance from the Scheme Advisory Board | 9    |
| The Pensions Regulator                  | 11   |
| Training record and certification       | 11   |

## 1. Introduction

- 1.1 This is the training strategy for the Cambridgeshire Pension Fund.
- 1.2 The training strategy is established to aid the Pension Committee and Local Pension Board members in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities. A Code of Practice and a Knowledge and Skills Framework have been developed by CIPFA which Local Government Pension Scheme (LGPS) funds are expected to sign up to.
- 1.3 The objective of the CIPFA Knowledge and Skills Framework is to determine and set out the knowledge and skills sufficient to enable the effective analysis and challenge of decisions made by officers and advisers to the Pensions Committee.
- 1.4 CIPFA subsequently extended the framework to cover the training and development of Local Pension Board members. The objective is to improve knowledge and skills in all the relevant areas of activity of a Local Pension Board and assist Local Pension Board members in achieving the degree of knowledge appropriate for the purposes of enabling members to properly exercise their functions.
- 1.5 The Public Service Pensions Act 2013 has also amended The Pensions Act 2004 requiring the Pensions Regulator to issue a Code of Practice relating to the requirements of the knowledge and understanding of Local Pension Boards.
- 1.6 Guidance covering the knowledge and understanding of Local Pension Boards in the LGPS was also issued by the Scheme Advisory Board (SAB) in January 2015. Although this has not been designated as statutory guidance it should be acknowledged as best practice.
- 1.7 The training necessary to achieve the additional knowledge and skills will be set out in the appropriate training plan(s) and assessed and recorded.

## 2. Purpose of the Strategy

### 2.1 Strategy Objectives

- 2.1.1 The Cambridgeshire Pension Fund objectives relating to knowledge and skills are to:
  - Ensure the Cambridgeshire Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
  - Ensure the Cambridgeshire Pension Fund is effectively governed and administered; and
  - Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government

2.1.2 To achieve these objectives –

2.1.3 Members of the Pension Committee require an understanding of:

- Their responsibilities as delegated to them by Cambridgeshire County Council as an administering authority of an LGPS fund;
- The fundamental requirements relating to pension fund investments;
- The operation and administration of the Cambridgeshire Pension Fund;
- Controlling and monitoring the funding level; and
- Effective decisions in the management of the Cambridgeshire Pension Fund.

2.1.4 Local Pension Board members must be conversant with –

- The relevant LGPS Regulations and any other regulations governing the LGPS;
  - Any document recording policy about the administration of the Cambridgeshire Pension Fund;
- and have knowledge and understanding of:
- The law relating to pensions; and
  - Such other matters as may be prescribed.

2.1.5 To assist in achieving these objectives, the Cambridgeshire Pension Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework and Code of Practice to meet the skill set within that Framework. Attention will also be given to the guidance issued by the Scheme Advisory Board, the Pensions Regulator and guidance issued by the Secretary of State. So far as is possible, targeted training will also be provided that is timely and directly relevant to the Pension Committee's and the Local Pension Board's activities as set out in the Fund Business Plan. For example, funding training will be given immediately preceding the meeting that discusses the Funding Strategy Statement.

2.1.6 In addition to the Pension Committee and Local Pension Board members, all those with decision making responsibility in relation to LGPS will:

- have their knowledge measured and assessed;
- receive appropriate training to fill any knowledge gaps identified; and
- seek to maintain their knowledge.

## **2.2 How the strategy meets Cambridgeshire Pension Fund Objectives**

2.2.1 The strategy meets the following objectives of the Cambridgeshire Pension Fund as set out in the Business Plan and Medium Term Strategy -

- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance;
- Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers;
- Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment;
- Continually monitor and measure clearly articulated objectives through business planning; and
- Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate

### 3. Effective date

- 3.1 This strategy was approved by the Pension Committee on XX and is effective from XX.

### 4. Review

- 4.1 This strategy is expected to be appropriate for the long-term but it will be reviewed annually, and if necessary, more frequently to ensure it remains accurate and relevant.

### 5. Scope

- 5.1 This policy applies to -
- members of the Pension Committee;
  - members of the Local Pension Board; and
  - officers of the Fund

### 6. Delivery of Training

#### 6.1 Training Resources

- 6.1.1 Consideration will be given to various training resources available in delivering training to the Pension Committee and Local Pension Board members. These may include but are not restricted to:

| For Pension Committee and Local Pension Board Members  | For Officers  |
|--|---|
| <ul style="list-style-type: none"> <li>• In-house – shared training events where possible</li> <li>• Self-improvement and familiarisation with regulations and documents</li> <li>• The Pension Regulator's e-learning programme</li> <li>• Attending courses, seminars and external events</li> <li>• Internally developed training days and pre/post meeting sessions</li> <li>• Shared training with other funds or frameworks</li> <li>• Regular updates from officers and/or advisers</li> <li>• Circulated reading material</li> </ul> | <ul style="list-style-type: none"> <li>• Desktop / work based training</li> <li>• Attending courses, seminars and external events</li> <li>• Training for qualifications from recognised professional bodies (e.g. CIPFA, CIPP, PMI)</li> <li>• Internally developed sessions</li> <li>• Shared training with other funds or frameworks</li> <li>• Circulated reading material</li> </ul> |

## 6.2 Training Plans

6.2.1 To be effective, training must be recognised as a continual process and will be centred on 3 key points

- The individual;
- The general pensions environment;
- Coping with change and hot topics.

6.2.2 Training plans will be developed at least on an annual basis. These will be updated as required taking account of the identification of any knowledge gaps, changes in legislation, key events (e.g. the triennial valuation) and receipt of updated guidance.

6.2.3 Induction training will be provided for all new officers with pension responsibilities, members of the Pension Committee and members of the Local Pension Board. This will involve covering the requirements of the training strategy alongside guidance and information on the requirements of their roles.

## 6.3 External Events

6.3.1 A log of potential external events which may count towards credits will be maintained on an ongoing basis. This will be updated as information on events becomes available and will be provided at Pension Committee and Local Pension Board meetings. If an event occurs before the next meeting is convened, members will be advised by email.

6.3.2 After attendance at an external event, Pension Committee and Local Pension Board members will be expected to provide feedback via a feedback form which will be issued by Officers covering the following points:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other Pension Committee or Local Pension Board members.

6.3.3 Officers attending external events will be expected to report to their direct line manager with feedback covering the following points:

- Their view on the value of the event and the merit, if any, of attendance;
- A summary of the key learning points gained from attending the event; and
- Recommendations of any subject matters at the event in relation to which training would be beneficial to other officers.

## 7. Ongoing development

### 7.1 Maintaining Knowledge

7.1.1 In addition to undertaking on-going assessment in order to measure knowledge and skills against the CIPFA requirements and identify knowledge gaps, Officers, Pension Committee and Local Pension Board members are expected to maintain their knowledge of on-going developments and issues through attendance at external events and seminars.

7.2.1 Appropriate attendance at events for representatives of the Pension Committee and Local Pension Board will be agreed by the appropriate Chairman. Attendance at events for officers will be agreed via their relevant line manager.

7.2.2 A list of future events and seminars will be presented at each Pension Committee and Local Pension Board meeting. If an event occurs before the next meeting is convened, members will be advised by email.

7.2.3 The Head of Pensions will decide an appropriate level of credits for attendance at an event depending on the type of event, its content and relevance to knowledge maintenance but based on the guide given in section 8 below. The level of credit may then be re-evaluated when receiving feedback (see 6.3 above).

7.2.4 In any event, attendance at events and seminars (which may include some internal training sessions) that are not direct training courses focussed on the CIPFA Knowledge Skills Framework or issued guidance but enhance and improve related on-going and emerging pension knowledge will count as one credit for each session of up to a half day.

- 7.2.5 Owing to the changing world of pensions, it will also be necessary to have ad hoc training on emerging issues or on a specific subject on which a decision is to be made by the Committee in the near future or is subject to review by the Board. These will also count as credits in maintaining knowledge.
- 7.2.6 Given the importance of the roles of Chairman of the Pension Committee and Chairman of the Local Pension Board in leading and shaping the direction of their respective bodies, it is expected that they will both be able to demonstrate an additional level of knowledge and skills to that required by the other members of the Pension Committee and Local Pension Board.

## 8. Recording Training

### 8.1 Training Credits

- 8.1.1 As a measure of training given or knowledge level, Pension Committee and Local Pension Board members are desired to have a minimum level of training credits. Credits will be awarded in recognition of attendance at training events, successful completion of recognised training assessment or for attendance at relevant industry events or seminars. This approach recognises that members of the Pension Committee and Local Pension Board may have different learning styles, while at the same time requiring that an appropriate core level of knowledge is attained.
- 8.1.2 Credits will be awarded in accordance with the following guide:



| Method of attaining credit   | Number of credits awarded  |
|--|--|
| Completion of a single module of the Pensions Regulators e-learning toolkit. There are 7 modules in total.   | 1 credit per module passed and valid for 2 years.  |
| Completion of a module of the CIPFA Knowledge and Skills Framework. 8 modules in total with 4 events scheduled per year.   | 2 credits per module passed and valid for 2 years (a pass being awarded for achieving at least 2/3rds of the available marks). |
| Successful completion on a knowledge assessment upon appointment to either the Committee or Board.   | 2 credits valid for 2 years.   |
| Successful completion of a knowledge assessment following a training event organised by the Cambridgeshire Pension Fund. This would typically be held as part of a full Pension Committee or Local Pension Board meeting. There will be a minimum of 2 training sessions per year. | 1 credit per session and valid for 2 years.  |
| Attendance at an approved conference, seminar or external training event   | 2 credit for a full day's attendance.<br>1 credit for a half day's attendance.<br>Credits valid for 2 years                    |
| All other relevant training  | 1 credit – member to inform officers of training undertaken  |
| Induction training upon appointment  | 2 credits  |
| Training provided/organised by the LGSS Pensions Service   | 2 Credits  |

## 8.2 Number of credits required

- 8.2.1 Members of the Committee and Local Pension Board will each be expected to accumulate 18 credits over a rolling 2 year period.
- 8.2.2 Credits can be obtained in any combination but the credit level has been set at a level which will require commitment to and attendance at Cambridgeshire Pension Fund training events as well as successful completion of training assessments. Credits will be measured and monitored by LGSS Pensions in conjunction with the Chairman of the Committee or Board over rolling 2-year period.

- 8.2.3 It is acknowledged that where an individual is new to the role there will be a lead-in period before the member will be expected to demonstrate the full range of knowledge and skills. New members will be encouraged to undertake induction training within 6 months of appointment.
- 8.2.4 A training record will be sent to members after each credit is attained to ensure members are able to keep a personal record of training undertaken and to monitor the credits they have attained.

### **8.3 Scorecard**

- 8.3.1 For the purposes of disclosing the level of knowledge and understanding of through the scorecard mechanism, the following will be recorded separately for the Pension Committee and Local Pension Board:
- Total number of credits possible collectively in the period in question for a new member joining after that date;
  - Total number of credits achieved collectively in the same period.
- 8.3.2 The latter score will be flagged as green if this represents at least 90% of the potential target, amber for between 60% and 89% (inclusive) and red if below 60%.
- 8.3.3 Separately, LGSS Pensions will hold a record of each individual's training credits split between attendance and assessment and will be shared with the chairman of the relevant Pension Committee or Local Pension Board on an annual basis.

## **9. CIPFA Requirements**

### **9.1 CIPFA Knowledge and Skills Framework**

- 9.1.1 In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 Pension Committees and non-executives in the public sector within a knowledge and skills framework. The framework covers six areas of knowledge identified as the core requirements:
- Pensions legislative and governance context;
  - Pension accounting and auditing standards;
  - Financial services procurement and relationship development;
  - Investment performance and risk management;
  - Financial markets and products knowledge; and
  - Actuarial methods, standards and practice.
- 9.1.2 The Knowledge and Skills Framework sets the skills required for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk in managing LGPS funds.

## **9.2 Local Pension Boards: A Technical Knowledge and Skills Framework**

9.2.1 In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of Local Pension Boards, albeit there exists an overlap with the original Framework. The Framework identifies the following areas as being key to the understanding of local pension board members;

- Pensions Legislation;
- Public Sector Pensions Governance;
- Pensions Administration;
- Pensions Accounting and Auditing Standards;
- Pensions Services Procurement and Relationship Management;
- Investment Performance and Risk Management;
- Financial markets and product knowledge;
- Actuarial methods, standards and practices.

## **9.3 CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice")**

9.3.1 CIPFA's Code of Practice, issued in 2013, embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
- ensure 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.

9.3.2 The Cambridgeshire Pension Fund fully supports the intentions behind CIPFA's Code of Practice and has agreed to formally adopt its principles. This training strategy formally sets out the arrangements the Cambridgeshire Pension Fund will take in order to comply with the principles of the Code of Practice.

## 10. Guidance from the Scheme Advisory Board

### 10.1 General Principles

10.1.1 The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's Code of Practice and in January 2015 published Guidance for administering authorities to support them in establishing their Local Pension Board. The Guidance includes a section designed to help Local Pension Board members to understand their knowledge and understanding obligations.

10.1.2 Knowledge and understanding must be considered in the light of the role of a Local Pension Board and Cambridgeshire Pension Fund will make appropriate training available to assist and support members in undertaking their role.

### 10.2 Committee Members

10.2.1 Although the CIPFA Knowledge and Skills Framework complements the Code of Practice that should be adopted by administering authorities there is no legal requirement for knowledge and understanding for members of an s101 Pension Committee. However the view of the Cambridgeshire Pension Fund is that members of the Pension Committee should have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board. Sections 10.3 to 10.5 below are therefore still relevant in the consideration of the training needs of Pension Committee members.

### 10.3 Degree of Knowledge and Understanding

10.3.1 The role of the Local Pension Board is to assist the Scheme Manager i.e. the administering authority. To fulfil this role, Local Pension Board members should have sufficient knowledge and understanding to challenge failure to comply with regulations, any other legislation or professional advice relating to the governance and administration of the LGPS and/or statutory guidance or Codes of Practice.

10.3.2 Local Pension Board members should understand the regulatory structure of the LGPS and the documentary recording of policies around the administration of the Cambridgeshire Pension Fund in enough detail to know where they are relevant and where it will apply.

### 10.4 Acquiring, Reviewing and Updating Knowledge and Understanding

10.4.1 Local Pension Board members should commit sufficient time in their learning and development and be aware of their responsibilities immediately they take up their position. The Cambridgeshire Pension Fund will therefore provide induction training for all new Board members.

## 10.5 Flexibility

10.5.1 It is recognised that a rigid training plan can frustrate knowledge attainment when too inflexible to reflect a change in pension law or new responsibilities required of the Local Pension Board. Learning programmes will therefore be flexible to deliver the appropriate level of detail required.

## 11. The Pensions Regulator

### 11.1 E-learning toolkit

11.1.1 The Regulator has developed an on line tool designed to help those running public service schemes to understand the governance and administration requirements in the public service schemes Code of Practice. The toolkit is an easy to use resource and covers 7 short modules. These are:

- Conflicts of Interests;
- Managing Risk and Internal Controls;
- Maintaining Accurate Member Data;
- Maintaining Member Contributions;
- Providing Information to Members and Others;
- Resolving Internal Disputes;
- Reporting Breaches of the Law.

11.1.2 These modules are designed to apply to all public service schemes and are not LGPS specific. The toolkit is designed specifically with Local Pension Board members in mind; however in the view of Cambridgeshire Pension Fund the material covered is of equal relevance to members of the Pension Committee. Completion of the toolkit will not in itself provide Pension Committee and Local Pension Board members with all the information they require to fulfil their knowledge and skills obligations. It does however provide a good grounding in some general areas and all members of both the Pension Committee and Local Pension Board will be expected to complete the full 7 modules over time.

## 12. Training records and certification

### 12.1 Progress and achievement

12.1.1 Training plans will be used to document and address any knowledge gaps and update areas of learning where required and assist in the acquisition of new areas of knowledge in the event of change

12.1.2 Progress and achievement will be certificated at least on an annual basis individually to all Pension Committee and Local Pension Board members.

These will detail:

- The current assessment of an individual's acquired knowledge;
- Their progress against achieving the credits from other internal/external training or events; and
- All training courses and events attended by them to date.