

# Agenda Item 8

**Pension Board  
9 March 2021**

## **Training Strategy**

### **Report of the Head of Pensions**

#### **Summary**

The proposed training strategy for the Gloucestershire Pension Fund has been established to aid the Pension Committee, Pension Board and Officers understanding of their respective responsibilities in relation to the Fund. This training strategy sets out how these key roles within the Fund will obtain and maintain the necessary knowledge and understanding in order to fulfil their role.

The strategy which is attached as appendix 1 to this report, has been developed in conjunction with Hymans Robertson to ensure that good practise has been identified and incorporated into the strategy.

#### **Background**

The Funds' objectives relating to knowledge and understanding are to:

- Ensure the Fund is appropriately managed and those individuals responsible for its management and administration have the appropriate knowledge and expertise;
- Ensures that there is the appropriate level of internal challenge and scrutiny on decisions and performance of the Fund;
- Ensure the effective governance and administration of the Fund; and
- Ensure decisions taken are robust and based on regulatory requirements or guidance of the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Housing, Communities and Local Government.

#### *CIPFA Knowledge and Skills Framework – Pension Fund Committees*

The CIPFA framework, that was introduced in 2010, 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.

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Under each of the above headings the Framework sets out the knowledge required by those individuals responsible for Fund's management and decision making. CIPFA extended the knowledge and skills framework in 2015 to include Pension Board members, and details of their objectives are contained in appendix 1.

## *CIPFA Technical Knowledge and Skills Framework – Local Pension Boards*

CIPFA extended the Knowledge and Skills Framework in 2015 to specifically include Pension Board members, albeit there is an overlap with the original Framework. The 2015 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.

## *Links to The Scheme Advisory Board's Good Governance project*

In February 2019 the Scheme Advisory Board commissioned Hymans Robertson to consider options for enhancing LGPS governance arrangements to ensure that the Scheme is ready for the challenges ahead and at the same time retains local democratic accountability. Following extensive consultation and engagement with the LGPS community the SAB published 2 reports. The following recommendations from the second report relate directly to the attainment of knowledge and skills;

- Key individuals within the LGPS, including LGPS officers and pensions committee members, to have the appropriate level of knowledge and understanding to carry out their duties effectively.
- A requirement for s151 officers to carry out LGPS relevant training as part of their CPD requirements to ensure good levels of knowledge and understanding.
- Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.
- Relevant professional bodies to produce appropriate guidance and training modules for s151 officers and to consider including LGPS training within their training qualification syllabus.

The findings of the Good Governance Review have yet to be formally adopted in statutory form, however, this Training Strategy recognises the principles behind the recommendations and seeks to embed them into the culture of the Fund.

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## **Delivery**

To achieve these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework (KSF) and the Pension Regulator Code of Practice to meet the skills set within that Framework. Attention will also be given to any guidance issued by the Scheme Advisory board (SAB), the Pensions Regulator and the Secretary of State.

The implementation of this Strategy and the delivery of the training plan, which forms part of the Funds Business Plan 2021/22, will be the responsibility of the Fund's Head of Pensions and the wider pensions management team. However, each individual with a requirement to attain knowledge and skills under this Strategy has a personal responsibility to ensure they meet the required standards.

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.

Induction training will be provided for all new members of the Committee and Board. This will involve covering the requirements of the training strategy alongside guidance and information on the requirements of their roles.

On an ongoing basis, ideally targeted training will be provided that is timely and directly relevant to the Board's activities as set out in the Fund's business plan. The approach and ways that training can be provided is outlined in detail in the attached strategy.

In line with the CIPFA Code of Practice a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Knowledge and Skills framework has been applied;
- What assessment of training needs has been undertaken; and
- What training has been delivered against the identified training needs.

The proposed strategy will be reviewed every 2 years, and if necessary, more frequently to ensure it remains accurate and relevant.

## **Recommendation**

That the training strategy for the Gloucestershire Pension Fund be approved and the associated training plan duly noted.

## **Contact Officer**

Matthew Trebilcock – Head of Pensions (01452 328920)