

# Training Strategy

## 2021

# Northamptonshire Pension Fund

Introduction	3
Fund objectives	3
Effective date	3
Review	4
CIPFA’s Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the “Code of Practice”)	4
CIPFA Knowledge and Skills Framework	4
The Scheme Advisory Board – Good Governance Review	5
The Pensions Regulator’s E Learning Toolkit	5
Markets in Financial Instruments Directive II (MIFID II)	6
Meeting the Business Plan	6
Delivery of training	6
How training will be recorded	7
Measurement	7
Maintaining knowledge	8
Risk management	8
Reporting	9
Costs	9

## 1. Introduction

- 1.1 This is the training strategy for the Northamptonshire Pension Fund.
- 1.2 The training strategy is established to aid members of the Pensions Committee and Local Pension Board as well as Fund Officers and the Section 151 Officer in performing and developing in their roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities. Local Government Pension Scheme (LGPS) Funds are expected to follow the CIPFA Knowledge and Skills Framework.
- 1.3 The objective of CIPFA's 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 Fund.
- 1.4 This Training Strategy takes into consideration the requirements of the pending Scheme Advisory Board Good Governance Review, the Pensions Regulator's Code of Practice and the Markets in Financial Instruments Directive (MiFID II) in addition to the requirements of the CIPFA Knowledge and Skills Framework requirements to ensure it encompasses best practice.

## 2. Fund Objectives

- 2.1 The Northamptonshire Pension Fund objectives relating to knowledge and skills are to:
  - To 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.
  - To 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.

## 3. Effective date

- 3.1 This strategy was approved by the Pension Committee on 14 December 2018. This revised strategy was subsequently approved by the Pension Committee on xx.

#### 4. Review

4.1 This strategy will be reviewed following the issuance of the new singular code of practice and following revised guidance resulting from the good governance review. Following that the strategy is expected to be appropriate for the long-term but it will be reviewed every 2 years, and if necessary, more frequently to ensure it remains accurate and relevant.

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

5.1 CIPFA's Code of Practice, was first issued in 2013, and embedded 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.

5.2 The Code of Practice has been updated in 2021 and provides an overview of the standards that all CIPFA members must adhere to when administering and managing pension funds and benefits on behalf of employee's and scheme members. The code includes focus on the increasing need for knowledge and skills and ongoing maintenance of this knowledge.

#### 6. CIPFA Knowledge and Skills Framework

6.1 In July 2021, CIPFA published its revised Knowledge and Skills Framework aimed at Pension Committee and Board members as well as senior officers. The contents of the framework have been updated with transparency in mind with particular emphasis on decision makers.

6.2 The principles of the guide include the need for formal objectives, policies, practices and strategies concerning knowledge and skills of those responsible for the fund. Administering authorities must maintain effective, ongoing maintenance and development of knowledge, addressing gaps where required and increasing skills as appropriate.

6.3 The Knowledge and Skills Framework accompanies the updated Code of Practice on LGPS Knowledge and Skills.

6.4 Aon, the funds Governance Advisors have developed training that covers the following core CIPFA requirements:

- Pensions legislation and guidance and national guidance;
- Local governance and pensions procurement, contract management and relationship matters;
- Funding Strategy and actuarial methods, and financial, accounting and audit matters;
- Investments – Strategy, asset allocation, pooling performance and risk management;
- Investments – Financial markets and products;
- Pensions Administration and Communications.

## 7. The Scheme Advisory Board – Good Governance Review

7.1 Proposals as a result of the good governance review emphasise the need for increased governance around the management of skills and knowledge. The review has proposed the following actions:

- To introduce a requirement in the Statutory Guidance to be issued by the Department for Levelling Up Housing and Communities (DLUHC) that key individuals within the LGPS, including LGPS officers and pensions committees, to have the appropriate level of knowledge and understanding to carry out their duties effectively.
- To introduce a requirement for s151 officers to carry out LGPS relevant training as part of CPD requirements to ensure good levels of knowledge and understanding.
- For administering authorities to publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.
- For CIPFA and other relevant professional bodies to be asked to produce appropriate guidance and training modules for s151 officers and to consider including LGPS training within their training qualification syllabus.

## 8. The Pensions Regulator’s E-learning toolkit

8.1 The Regulator has an online 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 compulsory 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.

- 8.2 In addition, a module on Pension Scams is available as an optional component. Although optional on the tool, it is the intention that Committee and Board members complete this module as it is deemed a fundamental part of the training programme.
- 8.3 These modules are designed to apply to all public service schemes and are not LGPS specific.
- 8.4 Completion of the toolkit in conjunction with the CIPFA core competencies will provide Pension Committee and Local Pension Board members with a good grounding for their respective roles. Officers will issue details of these training modules as required.
9. Markets in Financial Instruments Directive II (MIFID II)
- 9.1 The Northamptonshire Pension Fund need to demonstrate a high level of skills and knowledge across the Committee and Board to enable the Fund to opt-up and be recognised as a professional investor rather than a retail investor to continue to receive advice and access to investment products at a level commensurate with the types of investment required for the Fund.
- 9.2 Failure to adequately demonstrate a high level of collective skills and knowledge across the Pension Committee and Local Pension Board could result in the loss of professional investor status and therefore access to the appropriate investment opportunities.
10. Meeting the deliverables in the Annual Business Plan and Medium Term Strategy
- 10.1 There will be times when particular training will need to be delivered in order to assist the Pension Committee and Local Pension Board in their roles in connection with the key deliverables as detailed in the Annual Business Plan and Medium Term Strategy.
- 10.2 These deliverables include, but are not limited to, activity such as the review and approve the Funding Strategy Statement as part of the triennial Actuarial Valuation and Responsible Investing as part of the Investment Strategy Statement. Specific training in relation to these matters will be delivered at the appropriate times to ensure effective decisions are made.
11. Delivery of training
- 11.1 The Northamptonshire Pension Fund's Governance Advisors provide core training in the following areas. It is expected that all Committee and Board members and senior LGPS officers to undertake the training as listed below:
- Introduction to the LGPS;
  - Governance and Fiduciary Duty;
  - Pensions Legislation and guidance and national guidance;

- Local governance and pensions procurement, contract management and relationship matters;
- Funding strategy and actuarial methods, and financial, accounting and audit matters;
- Investments – Strategy, asset allocation, pooling performance and risk management;
- Investments – Financial markets and products.

11.2 The completion of the Pensions Regulator e-learning programme is also a compulsory requirement of the Training Strategy.

11.3 Officers will ensure that refresher training is offered to all members at regular intervals.

11.4 In addition to the compulsory training above, the following training is also encouraged -

- In-house and shared training events with Cambridgeshire Pension Fund where it improves economy, efficiency and effectiveness
- Self-improvement and familiarisation with regulations and documents
- Attending relevant courses, seminars and external events
- Internally developed training days and pre/post meeting sessions
- Shared training with other Funds or Asset Pools
- Regular updates from officers and/or advisers
- Circulated reading material

## 12. How training will be monitored

12.1 Detail of Pension Committee and Board member training that is undertaken will be noted and provided to the Chairman on an annual basis. Any individual that has not completed the core training will be encouraged to do so. The Chairman will have discretion regarding appropriate action if an individual does not undertake the minimum requirements.

## 13. Measurement

13.1 In order to identify whether the objectives of this strategy are being met, officers will:

- 1) Monitor the attendance of training on a regular basis;
- 2) Ensure the introductory training is offered shortly after appointment and promote it being undertaken promptly;
- 3) Actively encourage individuals to complete core training within 6 months of appointment
- 4) Monitor the attendance at meetings where training items are being delivered
- 5) Manage areas where individuals feel additional support is required.

**14. Maintaining knowledge**

- 14.1 In addition to undertaking ongoing training on the CIPFA skills and knowledge requirements, members are expected to maintain their knowledge of ongoing development through attendance at internal/external events and seminars where appropriate.
- 14.2 Appropriate attendance at events for representatives of the Pension Board and Pension Committee will be determined by officers of the Fund.
- 14.3 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 in the near future.

**15. Risk Management**

15.1 The risks associated with the delivery of a successful training strategy is as follows:

<b>Risk</b>	<b>Mitigation</b>
Frequent changes in membership of the Pension Committee or Pension Board	Training Strategy in operation and reviewed regularly, core training to be undertaken within 6 months of appointment with supplementary training undertaken when available.
Poor individual commitment	Attendance and training is monitored by officers of the Fund and the Chairman of the Committee/Board. Attendance is reported in the Fund's Annual Report and Statement of Accounts and the Committee and Board Annual Reports are presented to Full Council. Both lack of attendance and lack of training is addressed with the individual when deemed appropriate.
Resources not being available	Additional training opportunities will be highlighted to the Committee and Board via the Governance and Compliance Report.
Poor standards of training	Where appropriate external advisors who are experts in their field deliver training to cover the CIPFA skills and knowledge framework. Other in house training is delivered by officers with specific knowledge in a particular area. External courses are vetted to ensure they are relevant before being added to the list of courses available. Feedback is sought after events are attended.

15.2 The risks will be monitored within the scope of the training strategy and the risk register will be amended where appropriate.

## 16. Reporting

16.1 Training events will be highlighted at every meeting as part of the Governance and Compliance Report, members are expected to make officers aware of any events that are of interest. Core training is expected to be taken up in the first instance as it has been specifically designed to cover the CIPFA core competencies and is therefore compulsory.

16.2 The Chairman of the Pension Committee and Local Pension Board will be provided with attendance at meetings and training undertaken during the year.

16.3 Training undertaken by members will be published in the relevant annual reports.

## 17. Costs

17.1 All training costs relating to this training strategy are met by Northamptonshire Pension Fund.