

## Appendix A

### **(draft) PENSIONS COMMITTEE AND PENSION BOARD TRAINING POLICY 2019**

#### **1.0 BACKGROUND**

- 1.1 The West Midlands Pension Fund aims to achieve good standards of governance in line with or exceeding best practice and supported by its established governing bodies and their appointed advisers:
- Pensions Committee
  - Local Pensions Board
  - Trade union representation and provision of information
  - Advisors and officers

Details of how these four elements function and operate to ensure they are effective are set out in the Fund's Governance Compliance Statement.

- 1.2 The Fund is required by regulation and statutory guidance to ensure that those individuals who undertake a role as part of one of the four elements of good governance have an appropriate level of knowledge and understanding to enable them to exercise their function in the role that they are appointed to perform.
- 1.3 This policy is written to comply with such regulation, namely section 248 of the 2004 Pensions Act and section 248a of the 2013 Public Service Pensions Act. It also is written in consideration of the Pension Regulators (tPR) Code of practice no. 14 (Governance and administration of public service pension schemes) and the Scheme Advisory Board's statutory guidance which all relate directly to the role of Local Pension Boards.
- 1.4 As noted in the guidance from the Scheme Advisory Board for the LGPS (England & Wales), the legal requirement for knowledge and understanding for members of a Local Pension Board does not apply to members of a Pension Committee. However, the requirement serves as a useful benchmark for the knowledge and understanding that a member of a decision-making Pension Committee should have.

#### **2.0 SKILLS REQUIREMENTS**

- 2.1 The 2004 Act requires members to be conversant with:
- the rules of the LGPS, in other words the Regulations and other regulations governing the LGPS;
  - any document recording policy about the administration of the Fund; and
  - to have knowledge and understanding of the law relating to pensions.

Legal responsibilities begin from the date of appointment, with the knowledge and understanding requirements applying to every individual member of a Local Pension Board rather than to the members as a collective group.

In developing a programme to support development of relevant skills and knowledge the Fund applies the CIPFA Knowledge and Skills Framework to its training policy and programme. The CIPFA knowledge framework was created to help ensure that training is delivered effectively and efficiently by identifying and focusing on key knowledge areas.

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2.2 Seven areas of knowledge and skills have been identified as core technical requirements for those Members associated with LGPS pension funds:

- pensions legislation and governance context
- pensions administration
- pension accounting and auditing standards
- financial services procurement and relationship management
- investment performance and risk management
- financial markets and products knowledge
- actuarial methods, standards and practices

The Fund recognises that members of the Pensions Committee and Local Pension Board should individually develop the knowledge and understanding required, as outlined within the above seven areas to undertake their role, however it is not the intention that they become technical experts. They should have the ability to contribute effectively to collective discussion and decision making and have the confidence to question and challenge the information and advice that they are presented with.

To ensure that adequate coverage and depth of each of the seven topics is achieved, the Fund has developed a training plan that addresses all elements of the CIPFA Knowledge and Skills framework over a rolling 2-3 year period. Delivered through structured training events, this rolling programme ensures that knowledge is developed progressively.

2.3 Following the creation of investment pooling, the CIPFA knowledge and skills framework has been expanded to include additional competencies for representatives of LGPS Funds to reflect their role in the implementation of investment pooling. The Fund has updated its training programme to include such elements.

The Fund's structured training plan is supported by a number of additional training sources that members can access to develop their knowledge and skills. Examples include:

- Self-reading of a range of financial, pension related publications
- Online webinars hosted by industry experts (such as AON Hewitt, Barnett Waddingham and Eversheds Sutherland).
- Local Industry events relevant to the pensions sector.

2.4 The Fund reports in its annual report and accounts details of the knowledge and skills development undertaken by members of the Fund governing bodies, which includes the reporting of individual training hours recorded and attendance at structured training events.

### **3.0 POLICY**

3.1 Upon joining the Pensions Committee or the Local Pensions Board, new Members will be invited to attend an in-house induction training session facilitated by Pension Fund Officers. This will provide an overview of their role, the associated responsibilities and an update on key policies together with current policy matters to facilitate informed participation in discussion and decision-making.

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- 3.2 Committee and Local Board members are requested to commit to undertaking minimum training requirements each year as part of fulfilling their obligation in supporting good governance. Training guidelines are developed based upon length of service on the Committee or Local Board and are intended to encourage members to attend opportunities as follows:

### **New Members (First Year and as a refresher in the Fifth Year of membership)**

- Induction
- Completion of all online tPR Trustee Toolkit Modules
- Mid-Year Review (MYR) and/or Annual General Meeting (AGM)
- Two in-house structured training days
- One National Conference (Committee members only)
- Quarterly pre/post meeting training sessions

### **Second Year of Membership**

- Induction
- Mid-Year Review (MYR) and/or Annual General Meeting (AGM)
- Two in-house structured training days
- One National Conference (Committee members only)
- Quarterly pre/post meeting training sessions

### **Third Year onwards of Membership**

- Mid-Year Review (MYR) and/or Annual General Meeting (AGM)
- Two in-house structured training days
- One National Conference (Committee members only)
- Quarterly pre/post meeting training sessions

- 3.3 Members will also have the opportunity to build their knowledge and skills through other training opportunities offered by the Fund and additional support will be provided to any member seeking more advanced or specialist interest knowledge development. Members are encouraged to undertake independent reading to support in their development of knowledge in relation to current events within the pensions industry. This independent reading is supported by the production of a regular media round-up produced by Fund Officers.

Development is also supported through the facilitation of quarterly training sessions that are held on the same day as Committee and Local Board meetings with the aim of providing further consideration of a topic that is also covered on the meeting agenda.

- 3.4 Individual training records will be maintained by the Governance Officer for each member to enable quarterly monitoring and annual reporting.
- 3.5 Periodically, themed training or off-site visits may be undertaken to support building the skills and knowledge of members of the Committee, often in specific areas (for example, property investment). Meetings outside of the West Midlands are made on an 'as required' basis, aimed at addressing specific training needs and/or providing opportunity for more in-depth discussion on key issues with the agenda developed in consultation with the Chair.
- 3.6. Where training is delivered on a specialist topic, the Fund may invite external speakers to deliver sessions to the Pensions Committee or Local Pensions Board.

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- 3.7 To facilitate a robust training plan, the Fund allocates an annual budget to cover the cost of member training. This budget is monitored by the Director of Pensions, and where required, allocation of spending in regard to conference places is undertaken in consultation with the Chair of each governing body.

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