



## LEICESTERSHIRE PENSION FUND

## APPENDIX 1

### TRAINING POLICY FOR THE LOCAL PENSION COMMITTEE AND PENSION BOARD

**APPROVED BY THE PENSION COMMITTEE ON [8 NOVEMBER 2019] AND BY THE PENSION BOARD ON [16 SEPTEMBER 2019]**

#### Introduction

This policy demonstrates to stakeholders the Pension Committee's and Pension Board's recognition of the importance of knowledge and understanding of pension issues in the effective management of the Leicestershire Pension Fund ('the Fund').

This policy, and regular training, is deemed necessary due to:

- the distinction of fiduciary duty owed to the Fund, compared to members and officers usual business.
- the complexity of pension and investment issues.
- inevitable changes in the membership due to the election cycles.
- the Fund being treated by investment managers as a professional client.
- the potential consequences of not administering the Fund in an appropriate manner.

This policy applies to all members and substitute members of the Pension Committee, the Pension Board and officers involved in the management of the Fund.

#### Programme of Training

An assessment of the training needs of the members of the Pension Committee and Pension Board and relevant officers will be undertaken on a periodic basis to inform the programme of training. Individual training plans will be developed.

All members (including substitutes) of the Pension Committee and Pension Board are required to undertake induction training before taking up their role.

Members of the Pension Committee and Pension Board are strongly encouraged to complete the Pensions Regulator's Toolkit for Public Service Schemes.

All members (including substitutes) of the Pension Committee and Pension Board are encouraged to undertake training on a regular basis. The Fund's programme of training will have regard to relevant codes of practice and guidelines issued by the Pensions Regulator and CIPFA, the training needs of the Committee and Board, and the Fund's current priorities.



Key areas for training will include:

- Governance, including legislation, role of the administering authority, stakeholders, Scheme Advisory Board, the Pensions Regulator and investment pooling;
- Funding including the role of the actuary, the actuarial valuation, employer covenant and employers joining/exiting from the Fund;
- Financial markets and investment strategy;
- Pension's administration.

The depth of understanding required will vary depending upon the issues expected to be faced by the Fund and whether the individual is involved with the Pension Committee or the Pension Board. For Example Financial markets and investment strategy will be most relevant to Committee members and Pension's administration matters most relevant to Board members.

### **Monitoring and Reporting**

Officers will maintain records of attendance at training sessions, to support development of individual training plans.

Members who attend external events will be required to report back to the Committee/Board (as relevant) to share their knowledge with other members.

The Pension Committee and Pension Board will receive an update on progress made against this policy at least annually.

A report on training will be included in the Fund's annual report.



**APPENDIX 2**

**LEICESTERSHIRE COUNTY COUNCIL PENSION FUND**

**TRAINING NEEDS ASSESSMENT FOR THE PENSION COMMITTEE AND PENSION BOARD**

The aim of this questionnaire is to assess the current understanding of individual members of the Pension Committee and Pension Board in a number of relevant areas. While members should have an understanding of all areas, the areas of knowledge most relevant to the Committee and Board are highlighted.

The results will be collated used to prioritise training sessions. Individual assessments will not be made public.

	I have no knowledge	I have some, but limited, knowledge	I am reasonably familiar but additional training would be helpful	I am fully conversant
<b>General Understanding – for both Committee and Board</b>				
General pensions legislative framework in the UK, for example defined benefit, defined contribution, tax treatment and auto-enrolment				
The roles and powers of the UK Government in relation to the LGPS				
The main features of the LGPS legislation relating to benefits, administration and investment				
The role of the Council as administering authority in relation to the LGPS in relation to the Fund				
The stakeholders of the pension fund (including members and employers) and the nature of their interests				
Investment pooling and the role of LGPS Central				
The role of the LGPS Scheme Advisory Board and how it interacts with other bodies in the governance structure				
The roles and powers of the Pensions Regulator				
Awareness of the Pensions Regulator’s Code of Practice for public sector pension schemes				

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The role of the Pension Board				
The roles of the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of LGPS				
The role and statutory responsibilities of the Administering Authority's treasurer and monitoring officer				
Accounting and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice				
How the Fund communicates with stakeholders and consults with them on changes				
Key risks facing the Fund				
How pension fund management risks are monitored and managed				
Potential conflicts of interest, how they are identified and managed				
An understanding of how breaches in law are reported				
<b>Funding – most relevant for Committee</b>				
The role of the fund actuary.				
The actuarial valuation process, including developing the funding strategy in conjunction with the fund actuary				
The key assumptions in the actuarial valuation				
The types of employer eligible to join the Fund				
The importance of the employer covenant and the relative strengths of the covenant across the Fund's employers				
How employers' contribution rates are set				
Where an employer leaves the Fund, how the promised pensions liabilities are paid for				
How employer outsourcings and bulk transfers are dealt with				
An understanding of the Fund's Funding Strategy Statement				

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<b>Investment – most relevant for Committee</b>				
The role of the Fund’s investment in paying future pension payments				
The risk and return characteristics of the main asset classes (equities, bonds, property etc) the role of these asset classes in long-term pension fund investing.				
Awareness of the Fund’s Statement of Investment Principles				
Awareness of the Fund’s current investment strategy				
Key aspects of investment strategy and investment manager monitoring				
The Fund’s approach to responsible investment				
The Fund’s membership and role of the Local Authority Pension Fund Forum				
<b>Pensions Administration – most relevant for Board</b>				
The Fund’s pensions administration strategy and how the service is delivered to the Fund’s members and employers				
The Fund’s strategy of communicating with key stakeholders including members and employers				
Understanding of the required and adopted scheme policies and procedures relating to: <ul style="list-style-type: none"> <li>• member data maintenance and record-keeping processes</li> <li>• internal dispute resolution</li> <li>• contributions collection</li> <li>• scheme communication and materials.</li> </ul>				
LGPS discretions and how employers’ discretionary policies impact on the pension fund				
The tax treatment of pensions including pensions, retirement lump sums, annual allowance and lifetime allowance				
The Fund’s Additional Voluntary Contribution (AVC) arrangements, the choice of investments offered to members and the oversight of the provider’s performance				

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