



LEICESTERSHIRE PENSION FUND

APPENDIX A

TRAINING POLICY FOR THE LOCAL PENSION COMMITTEE AND PENSION BOARD

APPROVED BY THE PENSION COMMITTEE ON [] AND BY THE PENSION BOARD ON []

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 B

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 |
|---|---------------------|-------------------------------------|---|-----------------------|
| General Understanding – for both Committee and Board | | | | |
| 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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| | I have no knowledge | I have some, but limited, knowledge | I am reasonably familiar but additional training would be helpful | I am fully conversant |
|--|---------------------|-------------------------------------|---|-----------------------|
| 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 | | | | |
| | | | | |
| Funding – most relevant for Committee | | | | |
| 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 | | | | |
| | | | | |

| | I have no knowledge | I have some, but limited, knowledge | I am reasonably familiar but additional training would be helpful | I am fully conversant |
|--|---------------------|-------------------------------------|---|-----------------------|
| Investment – most relevant for Committee | | | | |
| 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 | | | | |
| Pensions Administration – most relevant for Board | | | | |
| 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"> • member data maintenance and record-keeping processes • internal dispute resolution • contributions collection • scheme communication and materials. | | | | |
| 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 | | | | |
| Statutory deadlines and Key Performance Indicators (KPIs) | | | | |

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