

# London Borough of Hackney

## Pension Fund

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Training Policy

 **Hackney**

# TRAINING POLICY

## Introduction

This is the Training Policy of the London Borough of Hackney Pension Fund in relation to the Local Government Pension Scheme (LGPS), which is managed and administered by Hackney Council. The Policy details the training strategy for members of the Pensions Committee and Pension Board, and senior officers responsible for the management of the Fund.

The Training Policy is established to aid Pensions Committee and Pension Board members and senior officers in performing and developing personally in their individual roles, with the ultimate aim of ensuring that the London Borough of Hackney Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills.

Hackney Council has delegated responsibility for the implementation of this Training Policy to the Corporate Director of Finance and Resources.

## Aims and Objectives

Hackney Council recognises the significance of its role as Administering Authority to the London Borough of Hackney Pension Fund on behalf of its stakeholders which include:

- around 20,000 current and former members of the Fund, and their dependants
- over 20 employers within the Hackney Council area or with close links to Hackney Council
- the local taxpayers within the London Borough of Hackney.

In relation to the governance of the Fund, our objectives are to ensure that:

- all staff and Pensions Committee Members charged with the financial administration and decision-making with regard to the Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them
- the Fund is aware that good governance means an organisation is open in its dealings and readily provides information to interested parties
- all relevant legislation is understood and complied with
- the Fund aims to be at the forefront of best practice for LGPS funds
- the Fund manages Conflicts of Interest appropriately

This Policy has been put in place to assist the Fund in achieving these objectives and all Pensions Committee Members, Pension Board members and senior officers

to whom this Policy applies are expected to continually demonstrate their own personal commitment to training and to ensuring that these objectives are met.

To assist in achieving these objectives, the London Borough of Hackney Pension Fund will aim to comply with:

- the CIPFA Knowledge and Skills Frameworks and
- the knowledge and skills elements of the Public Service Pensions Act 2013 and the Pensions Regulator's (TPR) Code of Practice for Public Service Schemes

as well as any other LGPS specific guidance relating to the knowledge and skills of Pensions Committee members, Pension Board members or pension fund officers which may be issued from time to time.

### **To whom this Policy Applies**

This Training Policy applies to all Members of the Pensions Committee and the local Pension Board, including scheme member and employer representatives. It also applies to all managers in the Hackney Council Pension Fund Management Team and the Chief Finance Officer (Section 151 Officer) (from here on in collectively referred to as the senior officers of the Fund).

Less senior officers involved in the daily management of the Pension Fund will also be required to have appropriate knowledge and skills relating to their roles, which will be determined and managed by the Pension Fund Manager and his/her team.

Personnel of the third party administrator that provides the day to day administration of the London Borough of Hackney Pension Fund are also expected to be able to meet the objectives of this Policy, as are all other advisers to the Fund.

Officers of employers participating in the London Borough of Hackney Pension Fund who are responsible for pension matters are also encouraged to maintain a high level of knowledge and understanding in relation to LGPS matters, and Hackney Council will provide appropriate training for them. This is considered separately in the London Borough of Hackney Pension Fund Administration Strategy.

### **CIPFA and TPR Knowledge and Skills Requirements**

#### *CIPFA Knowledge and Skills Framework and Code of Practice*

In January 2010 CIPFA launched technical guidance for Representatives on Pensions Committees and non-executives in the public sector within a knowledge and skills framework. The Framework sets the skill set for those responsible for pension scheme financial management and decision making.

The Framework covers six areas of knowledge and skills 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
- Actuarial methods, standards and practice

CIPFA's Code of Practice recommends (amongst other things) that Local Government Pension Scheme administering authorities -

- formally adopt the CIPFA Knowledge and Skills Framework (or an alternative training programme)
- ensure that 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.

### *The Pension Regulator's Code of Practice*

The Public Service Pensions Act 2013 (PSPA13) requires Pension Board members to:

- be conversant with the rules of the scheme and any document recording policy about the administration of the scheme, and
- have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate for the purposes of enabling the individual to properly exercise the functions of a member of the Pension Board.

These requirements are incorporated and expanded on within the TPR Code of Practice - Governance and administration of public service pension schemes issued in early 2015. It is expected that guidance will also be issued by the Local Government Pension Scheme Advisory Board which will explain further how these requirements will relate to LGPS administering authorities.

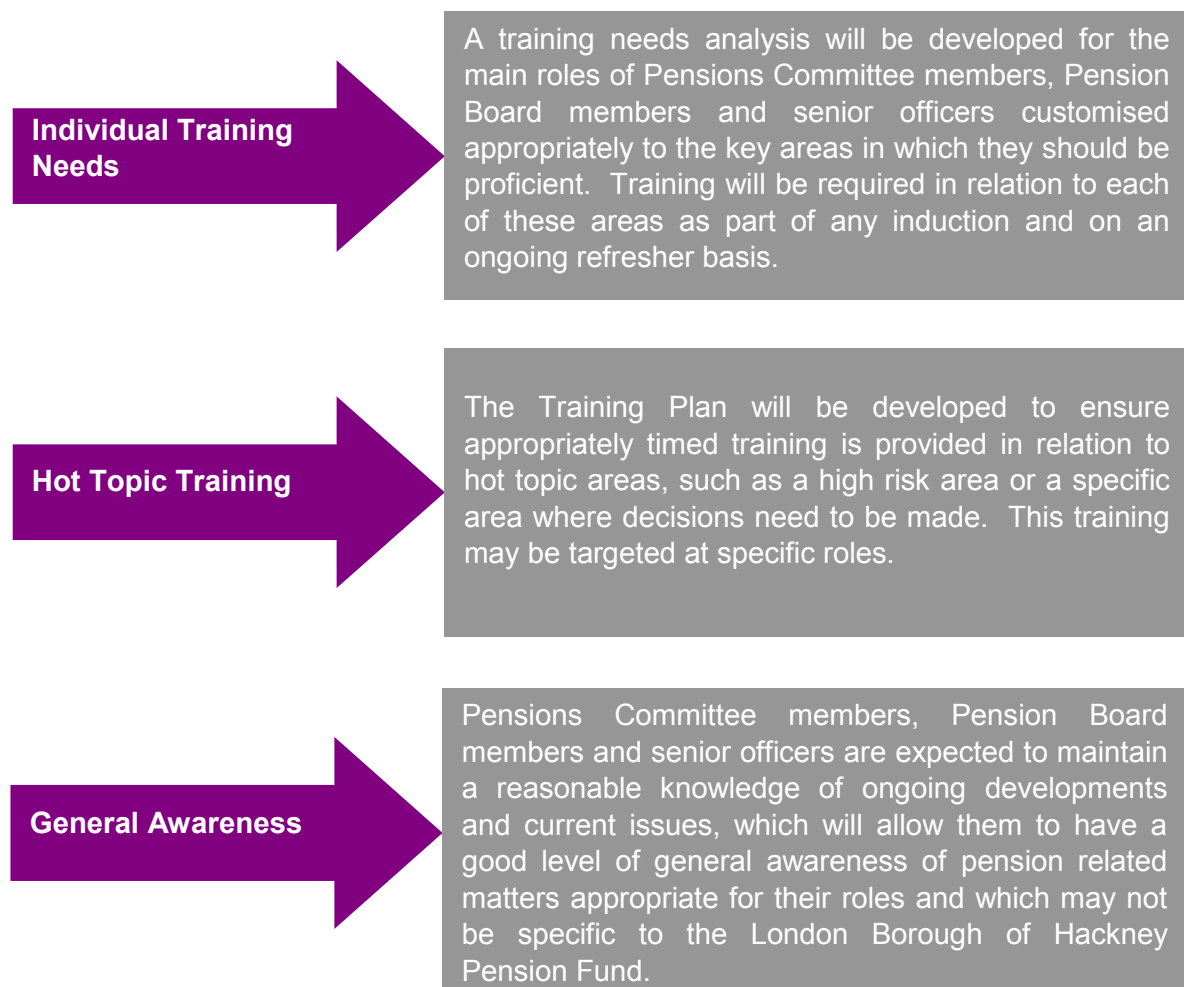
### *Application to the London Borough of Hackney Pension Fund*

Hackney Council recognises that effective financial administration, scheme governance and decision-making can only be achieved where those involved have the requisite knowledge and skills. Accordingly it fully supports the use of the CIPFA Knowledge and Skills Framework, and TPR's Code of Practice. Hackney Council adopts the principles contained in both publications in relation to the London Borough of Hackney Pension Fund, and this Training Policy highlights how the

Council will strive to achieve those principles through use of a rolling Training Plan together with regular monitoring and reporting.

## The London Borough of Hackney Pension Fund Training Plan

Hackney Council recognises that attaining, and then maintaining, relevant knowledge and skills is a continual process for Pensions Committee members, Pension Board members and senior officers, and that training is a key element of this process. Hackney Council will develop a rolling Training Plan based on the following key elements:



Each of these training requirements will be focussed on the role of the individual i.e. a Pensions Committee member, a Pension Board member or the specific role of the officer.

The Pensions Committee agrees a training plan on an annual basis at the first meeting of the Municipal Year. The training plan is developed taking into consideration the needs of the Committee, the Board and officers to both enhance existing knowledge and skills and to develop new areas of understanding. This ensures that training is accessible to all Committee and Board members and key officers involved in the management of the Pension Fund.

Training will be delivered through a variety of methods including:

- In-house training days provided by officers and/or external providers
- Training as part of meetings (e.g. Pensions Committee) provided by officers and/or external advisers
- External training events
- Circulation of reading material
- Attendance at seminars and conferences offered by industry-wide bodies
- Attendance at meetings and events with the London Borough of Hackney Pension Fund's investment managers and advisors
- Links to on-line training
- Access to the London Borough of Hackney Pension Fund website where useful London Borough of Hackney Pension Fund specific material is available

In addition London Borough of Hackney Pension Fund officers and advisers are available to answer any queries on an ongoing basis including providing access to materials from previous training events.

## **Initial Information and Induction Process**

On joining the Pensions Committee, the Pension Board or the London Borough of Hackney Pension Fund Management Team, a new member or officer will be provided with the following documentation to assist in providing them with a basic understanding of London Borough of Hackney Pension Fund:

- The members' guide to the Local Government Pension Scheme (LGPS)
- The latest Actuarial Valuation report
- The Annual Report and Accounts, which incorporate:
  - The Funding Strategy Statement
  - The Governance Policy and Compliance Statement
  - The Statement of Investment Principles including the London Borough of Hackney Pension Fund's statement of compliance with the LGPS Myners Principles
  - The Communications Policy
  - The Administration Strategy
- The administering authority's Discretionary Policies
- This Training Policy

In addition, an individual training plan will be developed to assist each Pensions Committee member, Pension Board member or officer to achieve, within six months, their identified individual training requirements.

## Monitoring Knowledge and Skills

In order to identify whether Pensions Committee members, Pension Board members and senior officers are meeting the objectives of this policy we will:

- 1) Compare and report on attendance at training based on the following:
  - Individual Training Needs – ensuring refresher training on the key elements takes place for each individual at least once every three years.
  - Hot Topic Training – attendance by at least 80% of the required Pensions Committee members, Pension Board members and senior officers at planned hot topic training sessions. This target may be focussed at a particular group of Pensions Committee members, Pension Board members or senior officers depending on the subject matter.
  - General Awareness – each Pensions Committee member, Pension Board member or officer attending at least one day each year of general awareness training or events.
  - Induction training – ensuring areas of identified individual training are completed within six months.
  
- 2) Consider whether the objectives have been met as part of the annual self-assessment carried out each year which is completed by all Pensions Committee members, Pension Board members and senior officers.

## Key Risks

The key risks to the delivery of this Policy are outlined below:

- Changes in Pensions Committee and/or Pension Board membership and/or senior officers' potentially diminishing knowledge and understanding.
- Poor attendance and/or a lack of engagement at training and/or formal meetings by Pensions Committee Members, Pension Board Members and/or other senior officers resulting in a poor standard of decision making and/or monitoring.
- Insufficient resources being available to deliver or arrange the required training.
- The quality of advice or training provided not being to an acceptable standard.

The Pensions Committee members, with the assistance of London Borough of Hackney senior officers and Pension Board members, will monitor these and other key risks and consider how to respond to them.

## **Reporting**

A report will be presented to the Pensions Committee on an annual basis setting out:

- The training provided / attended in the previous year at an individual level
- Attendance at Pensions Committee and Pension Board meetings
- The results of the measurements identified above.

This information will also be included in the London Borough of Hackney Pension Fund's Annual Report and Accounts.

At each Pensions Committee meeting, members will be provided with details of forthcoming seminars, conferences and other relevant training events as well as a summary of the events attended since the previous meeting.

## **Costs**

All training costs related to this Training Policy are met directly by the London Borough of Hackney Pension Fund.

## **Approval, Review and Consultation**

This Training Policy was approved at the London Borough of Hackney Pensions Committee meeting on 14 January 2015. This Training Policy was also formally adopted by the London Borough of Hackney Pension Board at its first meeting. It will be formally reviewed and updated at least every year or sooner if the training arrangements or other matters included within it merit reconsideration.

## **Further Information**

If you require further information about anything in or related to this Training Policy, please contact:

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Further information on the London Borough of Hackney Pension Fund can be found as shown below:

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[hackney.pensions@equiniti.com](mailto:hackney.pensions@equiniti.com) (Administration)

Pension Fund Website: <http://hackney.xpmemberservices.com>

Hackney Council Website: [www.hackney.gov.uk](http://www.hackney.gov.uk) (Minutes, Agendas, etc)