

## **Wiltshire Pension Fund Committee & Board Member Effectiveness, Training & Development Policy**

### **A) Purpose**

To fulfil the Administering Authority's (Wiltshire Council's) commitment to Pension Committee & Board Member knowledge & understanding. This training and development policy has been prepared to ensure that all members & decision-makers carrying out their roles and responsibilities on behalf of the Wiltshire Pension Fund & Wiltshire Council, are and remain sufficiently knowledgeable & competent to do so.

### **B) Background**

This policy reflects the CIPFA LGPS knowledge & skills framework 2021 and its separate Code of Practice. It includes changes in the LGPS since the release of the previous framework and the outcomes identified by the Scheme Advisory Board's Good Governance Review, other regulatory reviews and the requirements of the MHCLG. The intention of this framework is to establish a minimum level of knowledge for decision-makers and re-enforce decision-making structures. This policy encourages Board members to aspire to the 2021 framework, whilst recognising that they only need to continue to adhere to the 2015 framework entitled LPB: A Technical Knowledge & Skills Framework.

### **C) Legal basis**

#### **Compliance**

Board Members have a statutory obligation to ensure that they maintain their training and development. Committee Members do not have the same statutory obligation however Wiltshire Council sees it as good practice to ensure that they too abide by the spirit specified in the Pension Regulator's code of practice 14 (or its successors). It is expected that Required Members will fulfil the following legislative requirements;

- Committee – The Pension Regulator – Pension Act 2004 sections 247 to 249 & FCA – MiFID II – Directive 2014/65/EU & ESMA Regulations
- Board – The Public Services Pension Act 2013 (formerly Pension Act 2004 section 248a)
- Both Groups – MHCLG Guidance relating to the Myners Principles

#### **CIPFA Code of Practice Statement**

As required by CIPFA's Code of Practice Wiltshire Council is committed to the following principles;

- 1) That Wiltshire Council adopts the key principles of the code of practice on LGPS knowledge and skills.
- 2) That Wiltshire Council recognises that effective management, governance, decision making and other aspects of the delivery of the LGPS can only be achieved where those involved have the requisite knowledge and skills to discharge the duties and responsibilities allocated to them.
- 3) That Wiltshire Council has in place formal and comprehensive objectives, policies and practices, strategies and reporting arrangements to effectively acquire and retain LGPS knowledge and skills for those responsible for the management, delivery, governance and decision making of the LGPS.
- 4) That the policies and practices will be guided by reference to a comprehensive framework of knowledge and skills requirements such as that set down in the CIPFA Knowledge and Skills Framework.
- 5) That Wiltshire Council will ensure that it has adequate resources in place to ensure all staff, members, or other persons responsible for the management, decision making, governance and other aspect of the delivery of the LGPS acquire and retain the necessary knowledge and skills.

- 6) That Wiltshire Council will report annually on how their knowledge and skills policy has been put into practice throughout the financial year in the fund's annual report.
- 7) That Wiltshire Council has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the appropriate officer, who will act in accordance with the Wiltshire Council's knowledge and skills policy statement, and, where they are a CIPFA member, with the CIPFA Standards of Professional Practice (where relevant).

#### D) Scope

The knowledge & skills will cover Public Sector pensions, the pension industry in general, the relevant requirements of the Financial Conduct Authority & the completion of any other relevant training in connection with a Member's role, for example, data protection training. As a minimum requirement Members will be expected to embrace the eight topics of the CIPFA Knowledge & Skills Framework, namely;

|                                       |  |
|---------------------------------------|--|
| Legislation & Guidance                | Governance                               |
| Administration & Communications       | Accounting & Audit Standards             |
| Procurement & Relationship Management | Investment Performance & Risk Management |
| Financial Markets & Product Knowledge | Actuarial Methods, Standards & Practice  |

#### E) Definitions

##### Membership

- 1) Training programme participants – Required Members, excluding other participants;
- 2) Required Members – An appointed member of either the Pension Fund Committee, or Local Pension Board who have an entitlement to vote. Plus, the Board Chair & substitute Committee members who actively participate in meetings on behalf of an appointed member;
- 3) Other Participants – Substitute members, who have not been appointed or are actively participating in meetings on behalf of an appointed member, observers, non-decision-making officers\* & professional advisers. Other participants are encouraged to complete the training programme, but are not required to complete it;  
\*(See Senior Officer Addendum)
- 4) Substitute members – As defined within the Council's constitution; &
- 5) Observers – Union representatives attending the Pensions Committee

##### Knowledge & Understanding attainment levels

Self-assessment scoring for members is split into five categories.

| Level | CIPFA Knowledge & Skills Framework 2021 |
|-------|---|
| 1     | No Knowledge                            |
| 2     | Awareness                               |
| 3     | A general understanding                 |
| 4     | A strong understanding                  |
| 5     | Detailed knowledge                      |

### **Measuring Knowledge & Understanding minimum attainment expectations**

- 1) A Required Member is expected to operate at least at a “General Understanding” level in each Scheme year (ideally at a Strong Understanding) & by definition spend sufficient time on their training & development;
- 2) A Substitute Member participating on behalf of a Required Member should attain the same standard level as a Required Member;
- 3) A points-based system covering effectiveness and attainment levels of members will be maintained by officers. The system will aim to cover all 8 CIPFA categories, with emphasis on the following; &
  - a) Committee Members – MiFID II collective assessment of expertise, experience, knowledge & competence in relation to investment decisions; &
  - b) Board Members – Compliance & Administration.
- 4) Members will accumulate points in each of the following situations;
  - a) Attendance at meetings (The benchmark being 75% of meetings within each Scheme year for a Required Member).
  - b) Completion of a requisite amount of training per annum (The benchmark being a minimum of 6 hours within each Scheme year for a Required Member).

### **Other definitions**

- 1) Training period to be covered – The overall Member training programme operates on a four-year cycle, with a formal review after each Local Government Election. Within the overall strategy internal annual reviews will be completed prior to the beginning of each Scheme year, consistent with CIPFA, tPR & FCA guidance;
- 2) Basic attainment level – To be completed within the first 12 months of appointment; &
- 3) Formal reviews – To typically involve independent external assessment.

### **F) Objectives**

In addition to providing Members with enough knowledge & understanding to ensure that they carry out their roles and responsibilities to a requisite level of competence, this policy seeks to;

- 1) Ensure that each Member, by virtue of accepting their appointment will accept primary responsibility for their own training & professional development and are willing to assist officers in fulfilling that objective;
- 2) Provide a cost effective, targeted, relevant & monitorable training & development programme, which also gives consideration to the needs of the Fund;
- 3) Maintain an engaging and not overly onerous training programme, split into Mandatory, Advisory & Optional training choices;
- 4) Offer a tailored training approach that fulfils the requirements of all Members needs by recognising their different backgrounds, roles that they hold, meetings they attend and the lengths of service each member has accrued;
- 5) Maintain a training & development programme which remains consistent with National standards;
- 6) Positively manage any Member who may fall short of the minimum threshold of knowledge & understanding expected of them, for whatever reason;
- 7) Mitigate any Fund risks associated with inadequate Member knowledge & skills, as specified in the Pension Fund’s risk register.

### **G) Executing the training programme**

The annual lifecycle of the Fund’s training programme will include the following key stages;

- 1) Prior to the beginning of each Scheme year, officers will request that Members complete a self-assessment questionnaire of training needs, following which officers will present the results of the assessment to members to gain their confirmation on their training & development priorities. An updated training plan for the next Scheme year will then be prepared;
- 2) Where specialist training is identified, which can't be provided by officers, officers will identify a source for that training and make the necessary recommendations for inclusion within next year's Scheme budget;
- 3) On budgetary approval officers will commission any external training sources;
- 4) Where Members undertake independent training activities, to those provided by officers, they should keep officers informed so that a complete training record can be maintained; &
- 5) A summary of the Member training undertaken will be maintained by officers in accordance with the CIPFA standards.

**The 4-yearly lifecycle** of the Fund's training programme will include the following key stages;

- 1) Following Councillor Elections & prior to the beginning of the next Scheme year, officers will request that Members complete an external assessment, to develop a new training strategy. The results will be presented to members & may include feedback on the best ways of delivering training. Note: Depending on election outcomes effectiveness reviews may be conducted separately;
- 2) Officers will review the results in terms of Member effectiveness, decision making & integration with the Fund's other training strategies (namely the officer and employer strategies) & where necessary make any amendments to strategic Fund documentation;
- 3) In addition to identifying training & development priorities, the updated strategy will also be refreshed by annual self-assessment questionnaires & any other processes in order to keep the training strategy fresh and engaging.

## **H) Monitoring & Reporting**

### **Monitoring Knowledge & Skills**

Knowledge & Understanding will be monitored and gaps filled in the following ways;

- 1) A member's successful completion of their training will be measured using the following criteria; &
  - a) Fulfilment of agreed mandatory training; &
  - b) Fulfilment of the minimum attainment level in relation to their effectiveness, knowledge & understanding.
- 2) Participation in training self-assessment returns.

### **Monitoring Effectiveness**

Effectiveness will be monitored in the following ways;

- 1) By Members contribution to meeting governance, through the applied use of Member documents during a meeting, the quality of their contribution during debate & any input into minute recording following a meeting. Member documents include;
  - a) Actions log;
  - b) Risk Register; &
  - c) Look forward plan.
- 2) During meetings, Members making reference to, or referencing against the Fund's key policy documentation, objectives, LGPS regulations, or other pensions legislation, in order to support their contribution.

- 3) Fulfilment of the requirements of the Committee and Board's respective terms of reference and Look Forward Plans
- 4) Fulfilment of the Fund's Business Plan objectives
- 5) Compliance with all legislation and regulation as evidenced by a mitigated requirement to report a tPR Breach of Law to the Pensions Regulator.

#### **Reporting requirements**

- 1) Training records will be maintained and used to ensure that the minimum attainment level of knowledge & understanding has been achieved for assessment against external compliance such as tPR Code of Practice & FCA's MiFID II. In addition, records will be used for input into that Fund's Annual Report & Accounts and the Local Pension Board's Annual Report. The results will also be used as the basis of submissions from ad-hoc surveys from such organisations as the Scheme Advisory Board.
- 2) This training policy will be published on the Pension Fund's website.
- 3) Where a Member has not achieved the minimum threshold under this policy's points-based strategy officers will raise the matter with the Director of Finance & Procurement for his/her consideration & review.

#### **1) Oversight & Review**

Wiltshire Council's commitment to knowledge & skills, supported by CIPFA & the Pension Regulator's guidance & sponsored by the Director of Finance & Procurement (s151 Officer) is written into the Scheme Administration Report of the Fund's Annual Account Report & Accounts. The s151 Officer accepts responsibility for ensuring that this member effectiveness, training & development policy is implemented, maintained & that members charged with any financial decision making for the pension fund collectively possess the requisite knowledge and skills necessary to discharge those duties and make the decisions required.

This policy will be overseen and reviewed in consideration with;

- 1) Progress against the member training strategy review conducted every 4 years;
- 2) The requirement to conduct annual reviews to enable the strategy's coincidence with the Pension Fund's budget setting arrangements;
- 3) The understanding that on behalf of the s151 Officer other Senior Officers will undertake day-to-day responsibility for the development & maintenance of the training policy & framework; &
- 4) A member falling short of their minimum threshold requirement. In this eventuality officers should raise the matter with the Director of Finance & Procurement for their consideration.

## Senior Officers Addendum

(To set out the steps where the requirements for a Senior Officer's Knowledge & Skills Framework differs from those of Required Members)

### A) Definitions

#### Membership

- 1) A Senior Officer is defined as decision-making officer who has a Wiltshire paypoint grade above 38 and has a role or responsibility connected with the management or operation of the Pension Fund.
- 2) The Fund employs a variety of specialist practice areas. These include Accountancy, Actuarial, Administration, Governance, Information Technology, Investment, Legal, Payroll & Procurement. Senior Officers specialising in any of these practice areas will be expected to operate at an "Expert" level.

#### Knowledge & Understanding attainment levels

Self-assessment scoring for senior officers is split into six potential categories.

| Level | CIPFA Knowledge & Skills Framework 2021 |
|-------|---|
| 1     | No Knowledge                            |
| 2     | Awareness                               |
| 3     | A general understanding                 |
| 4     | A strong understanding                  |
| 5     | Detailed knowledge                      |
| 6     | An Expert knowledge                     |

#### Measuring Knowledge & Understanding minimum attainment expectations

- 1) According to the CIPFA LGPS Knowledge & Skills framework Senior officers are expected to score at least at a "Skilled" level even in a practice they do not specialise in. The attainment level expected of a senior officer may be higher, however the level of individual attainment will be measured against and be dependent on a senior officer's own role description.
- 2) Completion of a requisite amount of training per annum (The benchmark being a minimum of 12 hours within each Scheme year).

### B) Executing the training programme

The annual lifecycle of the Fund's training programme will include the following key stage;

- 1) Prior to the beginning of each Scheme year, officers will complete a self-assessment questionnaire of training needs, following which the results of the assessment will form part of their appraisal process. A summary of the results will also be included within the Required members training plan for information.

### C) Monitoring and Reporting

#### Reporting requirements

- 1) Senior officers training plans will, where required, follow the Administering Authority's appraisal process and training platform. A summary of the Senior officers training progress can be compiled on request and submitted to either the Committee or the Board.
- 2) The training record of the s151 officer should be maintained for incorporation along with Committee members in the Fund's Annual Report & Accounts.

- 3) Where a Senior Officer has not achieved the minimum threshold expected under this policy the matter will be managed through the Council's appraisal process.