

Worcestershire County Council Pension Fund

Knowledge and Skills Policy Statement

1. Introduction

1.1 CIPFA's Code of Practice on Public Sector Pensions Finance, Knowledge and Skills (the "Code of Practice") was first published in October 2011 and redrafted in July 2013. CIPFA's Code of Practice embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
- ensure 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.

1.2 Worcestershire County Council (The Council) as the Administering Authority for Worcestershire County Council Pension Fund (The Fund) recognises the importance of ensuring that it has the necessary resources to discharge its pensions administration responsibilities and that all staff and members charged with financial administration, governance and decision-making with regard to the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

1.3 The Council therefore seeks to utilise individuals who are both capable and experienced and it will provide and/or arrange training for staff and members of the pensions decision-making and governance bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

1.4 The Pension Committee of the Worcestershire County Council Pension Fund fully support the intentions behind CIPFA's Code of Practice. This Knowledge and Skills Policy Statement formally sets out the arrangements the Fund will take in order to comply with the principles of the CIPFA Knowledge and Skills Code of Practice.

2. Adopted CIPFA statements

2.1 The Council adopts the key recommendations of the Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

2.2 The Council recognises that effective financial administration, scheme governance and decision-making can only be achieved where those involved have the requisite knowledge and skills.

2.3 Accordingly the Council will ensure that it has adequate resources, formal and comprehensive objectives, policies and practices, strategies and reporting arrangements for the effective acquisition and retention of the relevant public sector pension scheme finance knowledge and skills for those in the organisation responsible for financial administration, scheme governance and decision-making.

2.4 These 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 Pensions Finance Knowledge and Skills Frameworks.

2.5 The Council will report annually on how these policies have been put into practice throughout the financial year.

- 2.6 The Council has delegated the responsibility for the implementation of the requirements of the CIPFA Code of Practice to the Chief Financial Officer, who will act in accordance with the organisation's policy statement and with CIPFA Standards of Professional Practice (where relevant).

3. Knowledge and Skills Framework

- 3.1 In January 2010 CIPFA launched technical guidance for Elected Representatives on Pension Committees and non-executives in the public sector within a knowledge and skills framework.

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

- 3.2 The Knowledge and Skills Framework sets the skill set for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk. CIPFA also provide Training Needs Analysis questionnaires on each of the six core areas above which the Fund will make use of as part of its assessment of current knowledge among Members and Officers.

4. Objectives

- 4.1 The Fund's objectives relating to knowledge and skills are to:

- Ensure the pension fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and are well based.

To achieve these objectives, members require an understanding of:

- Their responsibilities as an administering authority of a local government pension fund;
- The fundamental requirements relating to pension fund investments;
- The operation and administration of the pension fund;
- Controlling and monitoring the funding level; and
- Taking effective decisions on the management of the Fund.

- 4.2 To assist in achieving these objectives, the Fund will aim for full compliance with the CIPFA Knowledge and Skills Framework and Code of Practice to meet the skill set within that Framework. So far as is possible, targeted training will also be provided that is timely and directly relevant to the Pension Committee's agenda. For example, funding training was given immediately preceding the Committee meeting that discussed and endorsed Triennial Valuation results.

- 4.3 In order to achieve the objectives all those with decision making responsibility in relation to LGPS pension matters will:

- have their knowledge measured and assessed;
- receive appropriate training to fill any knowledge gaps identified; and
- seek to maintain their knowledge.

- 4.4 This policy statement will apply to all elected members and representatives with a role on the Pension Committee or Pension Investment Advisory Panel and to the Chief Financial Officer and his direct reports. Other officers involved in the management and administration of the Fund will have their own sectional and personal training plans and career development objectives.

5. Knowledge and Skills

- 5.1 Members and officers of the Fund already possess some of the required skills set out in the Skills and Knowledge frameworks; however there may be some areas where knowledge may need supplementing or strengthening. It is important that these areas are identified and the appropriate training is undertaken, not only to demonstrate compliance with the CIPFA Code of Practice but also to ensure members are properly supported in their role.
- 5.2 The Knowledge and Skills Framework (members) provides details of the six core competencies and members are asked to review this to self-assess any personal knowledge and skills requirements they feel they may have.
- 5.3 A separate framework exists for officers, and it will be integrated with the Council's Personal Development Plan and Training Needs process to identify any specific individual officer training needs.
- 5.4 In reviewing the Knowledge and Skills Framework, it is important that members appreciate that an in-depth knowledge of all the core knowledge areas is neither assumed nor necessary. In many cases what the framework expects is only an understanding or awareness of the area, and knowledge of where more detailed knowledge could be sought e.g. members are not necessarily expected to have in depth knowledge of a matter, but a general awareness of the issue and understanding of where they might source further information if required.

6. Training

- 6.1 Induction Training will be provided for all new officers and members. This will involve covering the requirements of the Training Strategy alongside guidance and information on the requirements of their roles. It is expected that Induction Training for members could involve approximately the equivalent of a full day of training, albeit these sessions could be spread over a few days.
- 6.2 Following induction training new officers and members will be asked to complete a Training Needs Assessments to identify gaps in compliance with the CIPFA Knowledge and Skills Framework.
- 6.3 The aim of training provided to members and officers will be to:
- equip the necessary skills and knowledge to be competent in their role;
 - support effective and robust decision making;
 - meet the required needs in relation to the Fund's objectives.
- 6.4 Consideration will be given to various training resources available in delivering training to members or officers in order to achieve efficiencies. These may include but are not restricted to:
- Using an Online Knowledge Portal or other e-training facilities
 - Attending courses, seminars and external events
 - Internally developed training days and pre/post Committee sessions
 - Shared training with other Funds or Frameworks
 - Regular updates from officers and/or advisers
 - Desktop / work based training

- 6.5 Fund Training Plans will be developed at least on an annual basis. These will be updated as required taking account of the results of Training Needs Assessments completed by Officers and Members.
- 6.6 There will be costs incurred in subscribing and attending external events, as well as providing the appropriate training sessions. Where possible, officers will look for ways to minimise these costs, through early booking opportunities and joint training sessions with other funds.

7. Record Keeping

- 7.1 A log of potential external events which may count towards credits will be maintained on an ongoing basis by the Principal Accountant – Pension Fund Investments and Reporting. This will be updated as information on events becomes available and will be provided at Pension Committee meetings and meeting of the Pension Investment Advisory Panel.
- 7.2 Appropriate attendance at events for representatives of the Pension Committee and Pension Investment Advisory Panel will be agreed by the chairman. Appropriate attendance at events for officers will be agreed via their relevant line manager. A list of future events and seminars will be presented at each Pension Committee meeting.
- 7.3 Progress and achievement will be certificated at least on an annual basis individually to all officers and members. These will detail:
- The current assessment of an individual's acquired knowledge;
 - Their progress against achieving the credits from other internal/external training or events; and
 - All training courses and events attended by them to date.