

Nottinghamshire Pension Fund Training Strategy

1. Introduction

This is the training strategy for the Nottinghamshire Pension Fund (the Fund). It confirms the Fund's commitment to training and sets out arrangements for delivering training and development.

This strategy will be published and made available to all stakeholders on the Fund's website.

The strategy complies with the Pensions Act 2004 248A as amended by the Public Service Pensions Act 2013, and knowledge and understanding requirements set out within the Pension Regulator's General Code of Practice 2024. The strategy also reflects learning from case law and guidance from advisory bodies and government departments. It also supports the requirement in Nottinghamshire County Council's constitution that all members of the Nottinghamshire Pension Fund Committee and Local Pensions Board must undertake training.

This strategy applies to:

- Members of the Nottinghamshire Pension Fund Committee (including co-opted, non-voting members)
- Members of the Local Pensions Board
- Senior officers involved in the day-to-day management of the Nottinghamshire Pension Fund

2. Core knowledge areas

The Fund adopts the principles contained in the Chartered Institute of Public Finance and Accounting (CIPFA) published guidance on Pensions Knowledge and Skills in 2021.

The guidance identifies eight core areas where appropriate knowledge and skills should be achieved and maintained:

- Pensions legislation and guidance
- Pensions governance
- Funding strategy and actuarial methods
- Pensions administration and communications
- Pensions financial strategy, management, accounting, reporting and audit standards
- Investment strategy, asset allocation, pooling, performance, and risk management
- Financial markets and products
- Pension services procurement, contact management and relationship management

The fund keeps a detailed list of topics across each area; this is set out in **Appendix A**.

3. Degree of knowledge and understanding required

Nottinghamshire Pension Fund Committee and Local Pensions Board

Members of the Nottinghamshire Pension Fund Committee and Local Pensions Board are not expected to become technical experts. They will need a sufficient breadth of knowledge and understanding to allow them to understand fully any advice they are given, to challenge the advice if it seems sensible to do so and to fully undertake all decision-making processes.

As set out in the Pensions Act 2013, Board members have a personal responsibility to develop and maintain an appropriate level of knowledge and understanding to enable them to properly exercise their function in assisting the Administering Authority in ensuring the effective governance and administration of the LGPS. In practice this means Board members must be conversant with the role of the scheme, and any document recording strategy about the administration of the scheme.

Pensions Committee and Board members should invest sufficient time in their learning and development alongside their other responsibilities and duties.

Board members also have a role in supporting the Administering Authority in securing compliance with LGPS Regulations, other legislation, and the requirements of the Pensions Regulator, and must therefore have knowledge and understanding of the law relating to pensions and other such matters as may be prescribed, for example, those areas set out within the Pensions Board's Terms of Reference.

These requirements are also in line with the Pension Regulator's General Code of Practice 2024, which places knowledge and understanding requirements on those charged with the governance of pension schemes.

The depth of understanding will vary depending on the issues faced by the Fund and whether the relevant body is the Committee or the Board. For instance, financial markets and investment strategy will be most relevant to committee members.

Nottinghamshire Pension Fund Committee induction

In years where there are all-out County Council elections, training for committee members will be delivered as part of an induction programme.

On appointment, members will:

- Be provided with an induction and information pack and copies of key documents and strategies
- Participate in an induction training session arranged in conjunction with the committee's first meeting of the term
- Be asked to complete a training needs analysis (TNA)

Completed TNAs will be used to develop a training plan for the remainder of the year. It will lead to specific training recommendations for both the whole committee and individual members for their first year. The LGPS Fundamentals training is the Fund's preferred and recommended approach to receiving basic training however, in completing TNAs, committee member's existing knowledge

and requirements will be considered. Identified training needs could be met through external training sessions, online learning and sessions delivered in conjunction with meetings of the committee. Third party organisations will be engaged to deliver topic-specific training, for example in the past the Fund has engaged Barnett Waddingham to deliver lifetime allowance training, AON to deliver cyber training. The Pensions Administration Technical and Regulations team are also available to provide support and training around topics of interest.

Ongoing commitment to training

In ordinary years where there are no all-out County Council elections, the Fund will complete an assessment of the training needs of the Committee, Board and relevant officers to inform the programme of training. This will be reported as part of the training and conferences report. In line with this process, individual training plans will be developed.

Completing a TNA will allow officers to provide training plans based on a member's level of experience. A rolling training plan will be developed, which will take into account individual training needs, topical issues, such as when decisions are required in relation to complex issues, or in new areas not previously considered, as well as general awareness.

Local Pensions Board and Nottinghamshire Pension Fund Committee mid-term appointments

Upon appointment to the Committee or Board, members (including substitutes), will:

- Be provided with an induction and information pack and copies of key documents and strategies related to that body
- Be sent information on accessing e-learning modules relevant to their role (e.g. the Pensions Regulator's public service toolkit and Barnett Waddingham's Enlighten modules)
- Undertake a TNA

As with the Nottinghamshire Pension Fund Committee, training can be provided on bespoke topics by the adviser to the board or by external providers. Board members also have the opportunity to access the Pensions Administration Technical and Regulations team to provide support and any additional training.

Substitute members

When notification is received of a substitute member who has not undertaken the induction training or any training as a mid-term appointment, they will, as a minimum be provided with a copy of the induction and information pack with copies of key documents and strategies. Members sitting as substitutes will be invited to attend additional training sessions that coincide with committee meetings at which they are substituting.

Fund officer requirements

It is important that officers in the Fund have the necessary skills and knowledge to carry out the tasks involved with managing the Fund's investments and administering the payment of benefits.

The knowledge and skills required of staff are set out in their job descriptions, including any formal qualifications required for the role. Officers should be familiar with the requirements of the CIPFA Code of Practice on Knowledge and Skills and should have knowledge of the areas set out in the framework.

During the year, officers will undertake training, including attending relevant events and seminars, to ensure they remain up to date with the latest requirements. In addition, officers are also required to keep up to date with relevant issues affecting the pension fund.

Training plan

The TNA will be the main method of assessing the knowledge and skills of both individual members and officers, and more widely the collective knowledge of the Committee and Board. It will be used to create the training plan for the following year.

Training methods will include:

- In-house training provided by officers or external providers
- Training as part of formal meetings
- External training events
- Circulation and signposting of reading material
- Attendance at seminars and conferences
- Online training
- Self-improvement and familiarisation with regulations and documents

Where possible and appropriate, joint training sessions will be delivered for Committee and Board members.

4. Key risks

The key risks to delivering this strategy are:

- Changes to the Committee or Board's membership
- Poor attendance or a lack of engagement at training and/or formal meetings by members and/or officers resulting in a poor standard of decision making, administration and/or monitoring
- Rapid, large-scale changes and requirements placed on LGPS funds
- Insufficient resources to deliver the required training
- The quality of advice or training provided not being of an acceptable standard

5. Monitoring and reporting

The administering authority will maintain a training log and record any training delivered as well as the attendance of members of the Committee and Board. Members must notify officers of any training they have completed independently so that the training log can be kept up to date; for online training courses, copies of training logs should be downloaded and sent to officers as evidence of completed training.

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

A central record will also be kept of training undertaken by officers.

Reporting against this strategy will be presented to the Nottinghamshire Pension Fund Committee and the Local Pensions Board as part of the Fund Annual Report and Accounts.

The Training Strategy requires that members undertake necessary training. The strategy is in accordance with the requirements of the Part 1 of Section 7 of the Council's Constitution which identifies the Nottinghamshire Pension Fund Committee and Local Pension Board as having special training requirements. It is expected that members will be able to demonstrate they have the capacity to attend and prepare for meetings as well as to participate in the required training in order to sit on the Committee or Board.

Officers involved in the management and administration of the Fund will maintain their knowledge and understanding through their annual objectives. This will include ongoing professional development managed through the council's performance management arrangements.

6. Review

This strategy will be kept under review, and, as a minimum will be brought to the Nottinghamshire Pension Fund Committee at least every three years.

The strategy will also be subject to consideration as part of the annual training and conferences report, which is presented to the Nottinghamshire Pension Fund Committee each year.

The effectiveness of this strategy will be assessed in the Fund's training disclosure, which will be presented annually as part of the Fund's annual report. This sets out the training completed by each member, including whether they have completed the LGPS Fundamentals training.

7. Costs

All costs will be met by the Nottinghamshire Pension Fund.

8. Further information

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

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Appendix: Areas of knowledge and understanding for the Fund

1. Pension legislation (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

2. Pension Governance (Committee and Board)

- The role of Nottinghamshire County Council as administering authority in relation to the LGPS and the Fund
- The role of the Scheme Advisory Board and the Pensions Regulator, Pensions Advisory Service and Pensions Ombudsman to the workings of the LGPS
- Awareness of the Pension Regulator's General Code of Practice 2024 and how it impacts public sector pension schemes
- The role of the Nottinghamshire Pension Fund Committee
- The role of the Local Pensions Board
- The roles and statutory responsibilities of the Administering Authority S151 officer
- Potential conflicts of interest, how they are identified and managed
- How pension fund risks are monitored and managed

3. Pensions financial strategy, management, accounting reporting and audit standards (Committee and Board)

- Requirements on the Fund in relation to accounting legislation and the Fund's Annual Accounts
- Audit Regulations and legislative requirements relating to internal controls and external audit for the Pension Fund

4. Pension administration and communications (Committee and Board)

- The Administration and Communication Strategy and how the service is delivered and communicated to the Fund's members and employers
- An understanding of how Fund breaches in law are reported
- Understanding of Fund policies relating to member data, record keeping, internal dispute procedures, cyber risk and contributions
- LGPS discretions and how employers' discretionary policies impact on the Fund
- Tax treatment of pensions, retirement lump sums annual allowance and changes to the lifetime allowance
- The Fund's Additional Voluntary Contribution arrangements
- Statutory deadlines and key performance indicators of the Pension Fund

5. Pension services procurement and relationship management (Committee and Board)

- An understanding of the background of public procurement and the roles of key decision makers and organisations in relation to pensions administration (i.e. actuarial services, investment advisers, additional voluntary contributions providers)
- Supplier risk management (i.e. procurement procedure, risk assessments, what to look for when selecting an investment)
- An understanding of how the Fund monitors and manages outsourced providers

6. Investment strategy, asset allocation, pooling performance (Committee and Board)

- The role of the Fund's investments in funding future pension payments
- Awareness of the Fund's Investment Strategy Statement
- Key aspects of Investment Manager Monitoring
- The Fund's approach to responsible investment and engagement, and stewardship activities undertaken by fund managers and other partners
- The Fund's approach to climate risk and opportunities
- Investment pooling and the role of LGPS Central

7. Financial markets and products knowledge (Committee and Board)

- The risk and return characteristics of the main asset classes and their role in long-term pension fund investing, including the different investment vehicles available
- Understanding of the primary importance of strategic asset allocation
- Awareness of the limits placed by Regulation on the investment activities of the Fund (i.e. fiduciary duty, environmental, social and governance considerations, and Fund discretions)

8. Funding strategy, actuarial methods, standards and practice (Committee and Board)

- The actuarial valuation process, including development of the Funding Strategy Statement
- Key assumptions in the actuarial valuation
- The types of employers eligible to join the Fund
- The importance of the employer covenant
- How employers' contribution rates are set
- How the promised pensions liabilities are paid for when an employer leaves the Fund