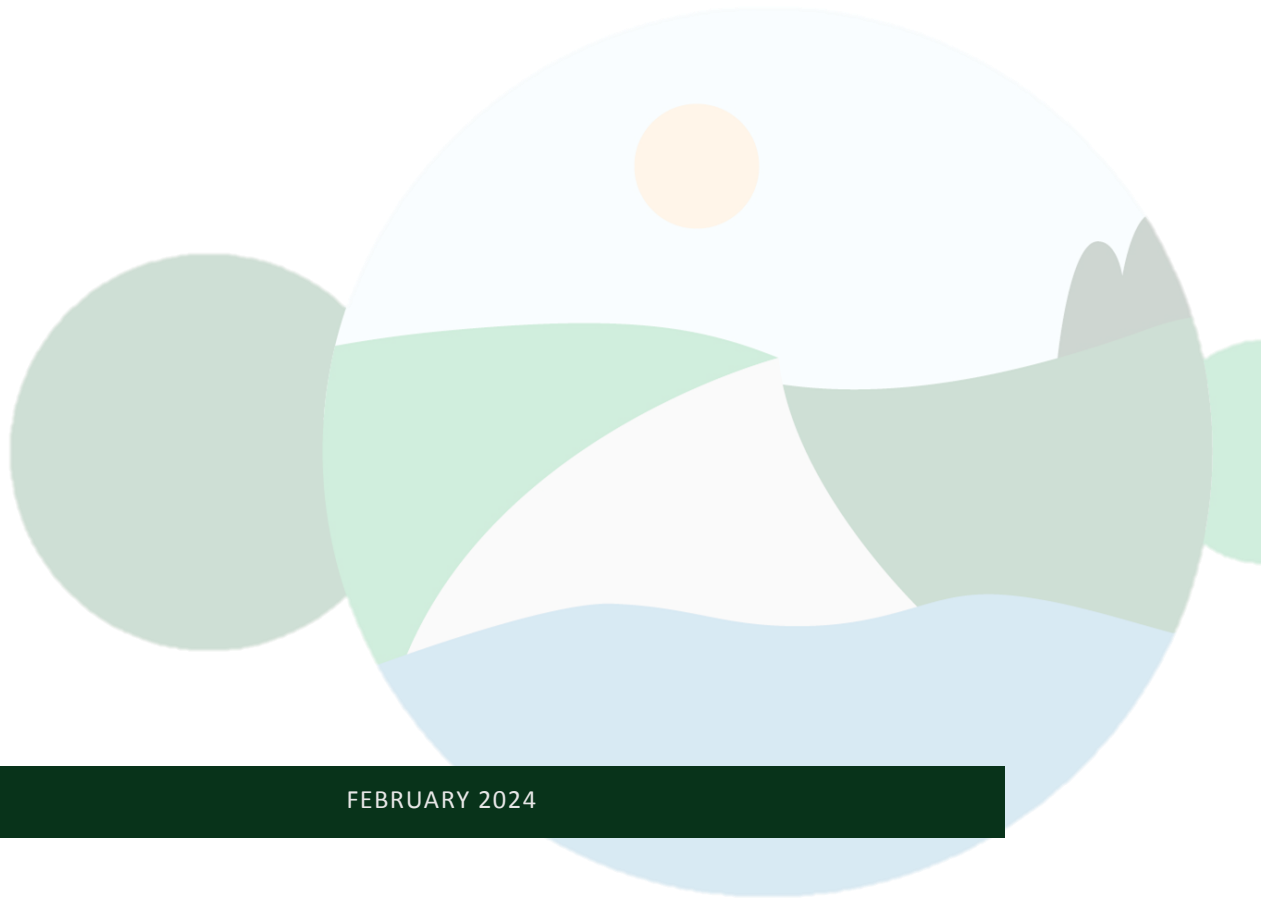




KENT PENSION FUND

TRAINING STRATEGY 2024

SUPERSEDES THE 2022 TRAINING STRATEGY





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INTRODUCTION

- 1.1 This is Kent Pension Fund's Training Strategy, intended to assist officers and members of Kent Pension Fund Committee and Pensions Board ('Members'). It has been designed to encourage the development of skills and knowledge, enabling all to act effectively in line with their responsibilities.
- 1.2 By implementing this training strategy, Kent Pension Fund will seek to ensure there is sufficient skills and knowledge amongst senior officers, those on Pension Board and Pension Fund Committee. It is considered important to achieve and maintain skills within Kent Pension Fund to ensure effective decision making and scrutiny of the Fund.
- 1.3 The Head of Service for Kent Pension Fund, in association with KCC's S.151 and Chairpersons of Pension Board and Pension Fund Committee are tasked with ensuring implementation of the Training Strategy. By approving the Training Strategy, all Members are implicitly committing to participate in training and to abide by the training requirements. Repeated non-compliance with the Training Strategy may result in Members being removed from Pension Board or Pension Fund Committee, as Kent Pension Fund prides itself on having well-informed and suitably skilled Members.
- 1.4 Kent Pension Fund will continue to offer a programme of structured training events via a regularly reviewed training plan. Regular updates on Training will be provided to Pension Fund Committee and Pensions Board, as per the agendas set.
- 1.5 No individual Members are expected to have expert knowledge of Kent Pension Fund's LGPS investments or administrative operations. Instead, it is expected that senior officers within Kent Pension Fund (and the Fund's consultants) will continue to assist Members in undertaking their roles and will provide suitable recommendations, advice and guidance, as necessary.

TRAINING STRATEGY OBJECTIVES

- 2.1 Kent County Council is the Administering Authority for Kent Pension Fund on behalf of its stakeholders. Kent Pension Fund is one of the largest Funds in the LGPS in England.
- 2.2 The objectives of Kent Pension Fund reflect the significance of the Fund:
- a) Ensure Kent Pension Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise;
 - b) Ensure Kent Pension Fund is effectively governed and administered; and
 - c) Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC)
- 2.3 To assist in achieving these objectives, Kent Pension Fund will aim to comply with a broad range of external guidance. These documents will include but not be limited to: the CIPFA Knowledge and Skills Frameworks, the knowledge and skills elements of the Public Service Pensions Act 2013, 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 Members and senior officers, which may be issued from time to time.
- 2.4 This Training Strategy applies to all Members of Kent Pension Fund Committee, who must be conversant with: Their responsibilities as delegated to them by The Kent County Council as an administering authority of an LGPS fund;
- a) The fundamental requirements relating to pension fund investments;
 - b) The operation and administration of the Kent Pension Fund;
 - c) Controlling and monitoring the funding level; and

d) Effective decisions-making in the management of the Kent Fund.

2.5 This Training Strategy also applies to all Members of Kent Pension Board who must be conversant with:

- a) The relevant LGPS Regulations and any other regulations governing the LGPS;
- b) Any document recording policy about the administration of the Kent Pension Fund;
- c) And have knowledge and understanding of the law relating to pensions; and
- d) Such other matters as may be prescribed.

2.6 In addition, it applies to KCC's senior officers responsible for the management and administration of Kent Pension Fund; they will be expected to:

- a) receive appropriate training to fill any knowledge gaps identified; and
- b) seek to maintain their knowledge.

CIPFA'S CODE OF PRACTICE

3.1 CIPFA's Code of Practice (on Public Sector Pensions Finance, Knowledge and Skills 2013), 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.

3.2 TPR's 'General Code' was updated in 2024 and brought together previous governance and guidance. It is considered vital that suitable skills and knowledge is held by Kent Pension Fund for effective strategic decision making and that there is sufficient governance in place to ensure compliance with this Training Strategy. At the time of writing in February 2024, the new General Code has only just been announced. It is therefore proposed that further to the indication of specific applications for the LGPS, any required changes are brought to future Pensions Board and Pension Fund Committee for discussion and agreement.

CIPFA KNOWLEDGE AND SKILLS FRAMEWORK – PENSION FUND COMMITTEE

4.1 In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 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:

- a) Pensions legislative and governance context;
- b) Pension accounting and auditing standards;
- c) Financial services procurement and relationship development;
- d) Investment performance and risk management;
- e) Financial markets and products knowledge; and
- f) Actuarial methods, standards and practice.

4.2 Although the CIPFA Knowledge and Skills Framework complements the Code of Practice that should be adopted by administering authorities, there is no legal requirement for knowledge and understanding for members of an s101 Pension

Committee. However, the view of Kent Pension Fund is that Members of its Pension Fund Committee shall have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

CIPFA KNOWLEDGE AND SKILLS FRAMEWORK – LOCAL PENSION BOARD

5.1 In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of Local Pension Boards, albeit there exists an overlap with the original Framework. The Framework identifies the following areas as being key to the understanding of local pension board members:

- a) Pensions Legislation
- b) Public Sector Pensions Governance
- c) Pensions Administration
- d) Pensions Accounting and Auditing Standards
- e) Pensions Services Procurement and Relationship Management
- f) Investment Performance and Risk Management
- g) Financial markets and product knowledge
- h) Actuarial methods, standards and practices.

5.2 The role of the Local Pension Board is to assist the Committee (i.e. the Scheme Manager). Therefore, Pension Board members shall have sufficient knowledge and understanding of the regulatory structure of the LGPS and administration policy to be able to challenge Kent Pension Fund to comply with regulations and policies.

5.3 Both Kent Pension Board and Committee members shall commit sufficient time to their learning and development. Kent Pension Fund will make appropriate training available to assist and support members in undertaking their roles. The above eight subjects therefore form the basis of the structured training programme prepared for Members and are included in the training plan.

GUIDANCE FROM THE SCHEME ADVISORY BOARD

6.1 The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's Code of Practice and in January 2015 published Guidance for administering authorities to support them in establishing their Local Pension Board. The Guidance includes a section designed to help Local Pension Board members to understand their knowledge and understanding obligations.

THE PENSIONS REGULATOR'S E-LEARNING TOOLKIT

7.1 The Regulator has developed an online tool designed to help those running public service schemes to understand the governance and administration requirements in the CIPFA Code of Practice. The online, free toolkit is designed specifically with Local Pension Board members in mind however the material covered is of equal relevance to Pension Fund Committee members.

7.2 Both members of Kent Pension Fund Committee and Kent Pension Board are expected to complete tPR's public service toolkit within 6 months of joining Board or Committee.

7.3 The public service e-toolkit is an easy-to-use resource and covers 7 short modules. These are:

- a) Conflicts of Interests;
- b) Managing Risk and Internal Controls;
- c) Maintaining Accurate Member Data;

- d) Maintaining Member Contributions;
- e) Providing Information to Members and Others;
- f) Resolving Internal Disputes;
- g) Reporting Breaches of the Law

7.4 Member's completion of tPR's e-toolkit (public service pension schemes) will be monitored by regular surveys. Findings will be reported in the Kent Pension Fund Annual Report and Accounts.

THE PENSIONS REGULATOR'S 21ST CENTURY TRUSTEESHIP GUIDANCE

8.1 Members of both the Committee and the Board are encouraged to follow the guidance. This programme was launched to raise the standards of governance across all workplace pension schemes. The programme includes what arrangements need to be in place to support good decision making, as follows:

- a) Clear roles and responsibilities and clear strategic objectives
- b) A skilled, engaged and diverse Committee and Board led by an effective chair
- c) Close relationships with employers, advisors and others involved in running the scheme
- d) Sound structures and processes focused on outcomes
- e) A robust risk management framework focused on key risks

MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II (MIFID II)

9.1 Kent Pension Fund needs to demonstrate a high level of skills and knowledge across the Committee and Board to enable Kent Pension Fund to opt-up. By doing so, Kent Pension Fund can be recognised as a professional investor rather than a retail investor and continue to receive advice and access to investment products at a level commensurate with the types of investment required for the Kent Pension Fund.

9.2 Failure to adequately demonstrate a high level of collective skills and knowledge across Pension Fund Committee and Local Pension Board could result in the loss of professional investor status and therefore access to the appropriate investment opportunities.

INITIAL INDUCTION & TRAINING

10.1 On joining Pension Fund Committee and Pension Board, all new members will receive an initial induction session and are encouraged to become familiar with the Kent Pension Fund website which provides access to :

- The latest Actuarial Valuation report
- The latest Annual Report and Accounts,
- Fund policies

10.2 Initial training needs will also be discussed and 1:1 sessions with officers offered as appropriate to enable support and settling into roles. To strengthen understanding and awareness of day-to-day operations, Members are also invited to see work in progress and being delivered by officers whilst at Invicta House offices. Where of interest, details to be agreed in advance via email so that sufficient hosting arrangements can be put in place.

10.3 As outlined above, all new Members are expected to complete tPR's e-toolkit (public service pension schemes) within 6 months of joining Pensions Board or Pension Fund Committee.

TRAINING DELIVERY

11.1 Members and senior officers will be encouraged to access a range of training resources. These may include but are not restricted to:

- a) Internally developed training days;
- b) Training delivered by investment managers / consultants during Pensions Board and Pension Fund Committee meetings;
- c) In-house and shared training events where it improves economy, efficiency and effectiveness;
- d) Self-improvement and familiarisation with regulations and documents;
- e) The Pension Regulator's e-learning programme;
- f) Attending courses, seminars and external events such as conferences;
- g) Regular updates from officers and/or advisers;
- h) Circulated reading material;

11.2 Training events will be advertised to members as and when they are notified to officers. Members are expected to make officers aware of any events that are of interest.

COSTS

12.1 All relevant costs relating to this training strategy will be met by Kent Pension Fund (i.e. for event attendance and train travel). Furthermore, assistance with making event bookings and train travel is available from officers; requests for help can be made via email.

MONITORING, REPORTING & COMPLIANCE

13.1 Kent Pension Fund will maintain a record of all training undertaken by Committee and Board members, who will be asked to confirm this record every 6 months via survey.

13.2 Training updates will be regularly taken to Pension Board and Pension Fund Committee to give an overview of the latest training opportunities and to report on training recently completed.

13.3 Information on training completed by individual Members will be included in the Kent Pension Fund Annual Report and Accounts. Information will be recorded on training session attendance. Where consistently poor training attendance is recorded, this will be discussed, and appropriate action taken. For example, repeated non-compliance with the Training Strategy may result in Members being removed from Pension Board or Pension Fund Committee to ensure that sufficient levels of skills and knowledge is collectively held for effective decision making and scrutiny.

13.4 The training plan will be agreed with Kent Pension Fund Committee and Board annually, or as required, to ensure relevancy and sufficient support for Members. In effect, by Members agreement to the plan they are implicitly committing to participate in training.

EFFECTIVE DATE

14.1 Kent Pension Fund first developed its Training Strategy in 2015, and this was approved by the Superannuation Fund Committee (as it was known then) at that time. The Training Strategy was subsequently updated and approved in November 2019 and March 2022. This version of the Training Strategy is to be taken to Pension Board and Pension Fund Committee in March 2024 for approval.

14.2 This updated Training Strategy formalises actions that have been undertaken in association with Pension Fund Committee and Pension Board over the last 12 months. These actions include regular training reporting and monitoring, the provision of training options and the encouragement and assistance offered to Members to participate in relevant external training events.

REVIEW

15.1 This strategy is expected to be appropriate for the long-term, but it will continue to be regularly reviewed, at least formally every 2 years or as required, to ensure it remains accurate and relevant.

15.2 This 2024 Training Strategy is intended to supersede the 2022 Training Strategy. Training is considered to be a live and ever moving target, due to the ongoing changes in the regulatory and policy framework within which Kent Pension Fund sits. The training plan will be designed to incorporate these changes and hot topics as they emerge. Officers will send regular communications to keep Members well informed and aware of the latest developments.