

ROYAL BOROUGH OF KENSINGTON AND CHELSEA PENSION FUND KNOWLEDGE AND SKILLS POLICY STATEMENT

1. Introduction

1a) Scope

This policy applies to all elected members, appointed Investment Committee, Pensions Board members and officers involved in the running of the Royal Borough of Kensington and Chelsea Pension Fund (the Fund).

1b) Objective of policy

In order to be effective it is important that all those involved with the running of the Pension Fund have a good understanding of pensions matters. It is recognised that it is good practice for the Fund to have a knowledge and skills policy statement in place.

This policy statement is designed to recognise the knowledge and skills individuals already have through their professional lives or through involvement with the Pension Fund over a period of time. The objective of the policy is to evidence this and augment it with training and information as required.

1c) Legal position

There is currently no legal requirement for Investment Committee members to demonstrate their knowledge and skills in pensions, however the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills recommends it as good practice. The Fund has adopted the Code of Practice.

There is however a legal requirement, defined in the Public Service Pensions Act 2013, for Pension Board members to have knowledge and understanding of the pension scheme they are involved in. This is expanded on further in The Pensions Regulator's Code of Practice for Governance and administration of public service pension schemes.

2. Knowledge and Skills Framework

2a) CIPFA framework

The Pension Fund has adopted the CIPFA Knowledge and Skills Framework to support the assessment of knowledge and skills and the provision of training. The framework covers eight areas of knowledge:

- 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, contract management and relationship management.

It provides detail about the knowledge required in each of these areas for officers at different levels, Investment Committee and Pensions Board members.

2b) The Pensions Regulator Code of Practice

For Pensions Board members, the knowledge and skills requirements are set out in The Pensions Regulator Code of Practice. These requirements have been added to the relevant sections of the CIPFA framework where required.

3. Information to be provided to new members and officers

On appointment to the Investment Committee, the Pensions Board or to a pension fund officer role, all individuals will be directed to the following policies of the Pension Fund:

- Governance and Compliance Statement;
- Investment Strategy Statement;
- Funding Strategy Statement;
- Administration Policy and
- Communication Policy Statement.

found at the following link:

<https://www.rbkc.gov.uk/jobs/rbkc-pension>

In addition, they will be provided with the most up to date versions of the:

- Annual report and accounts for the Fund;
- Quarterly investment reporting pack;
- Business Plan; and
- Risk Register.

4. Knowledge and Skills self-assessment

4a) Investment Committee Members

On appointment to the Investment Committee, members will be required to complete a knowledge and skills self-assessment to the extent that it relates to their role in order to evidence the areas they already have knowledge of and to determine the areas in which training is required.

4b) Pensions Board Members

Knowledge and skills in pensions matters is a legislative requirement for Pensions Board members as set out in the Public Service Pensions Act 2013. Therefore, on appointment to the Pensions Board, all members will be required to complete a knowledge and skills self-assessment in order to evidence the areas they already have knowledge of and to determine the areas in which training is required.

4c) Officers

As part of their annual performance appraisal and development plan process, officers involved in the running of the Pension Fund should, in conjunction with their line manager, assess and evidence the knowledge and skills they have against the relevant part of the officer section of the CIPFA framework and sets targets for developing their knowledge and skills in the gaps identified. This more detailed version of the framework reflects officers' responsibilities for the day to day running of the Fund.

4d) Self-assessment form

The self-assessment form for Investment Committee and Pensions Board members to use is attached at Appendix 1. These assessments will be repeated on an annual basis to enable any gaps in knowledge to be identified and addressed. Officers should incorporate the requirements of the officer section of the framework into their performance appraisal documentation.

5. Training

5a) Provision of training

Once the training needs of each group have been identified and collated from the self-assessment forms, the most appropriate form of training will be discussed and then arranged either on an individual basis or as part of a group. Details of all group training sessions will be made available to all members and officers. The options for training include:

- Provision of reading material provided by officers or directions to on-line sources of information such as resources provided by The Pensions Regulator;
- Briefings or training sessions run by officers;
- Briefings or training sessions run by one of the Fund's advisers; and
- External courses, seminars or conferences.

Additionally, investment advisors attend each committee meeting to provide relevant updates. Members are not expected to have detailed knowledge of topics but rather a broad understanding and receive advice from officers as appropriate.

Officers organise remote half-yearly member training sessions covering a broad range of subjects. Past sessions have included topics such as private markets, climate reporting, legislative updates, and the current economic conditions affecting pensions. Details are provided in Appendix 2.

5b) Emerging issues

Officers will arrange training or the provision of additional information on new or topical issues as they arise. Investment Committee or Board members can contact the Shared Services Pensions team Pensionfund@rbkc.gov.uk if they have any additional specific requests for training or information.

5c) External training events

When relevant external training events are published, officers will forward invitations to Pension Sub-committee and Board members for them to decide to attend if they feel the events will be useful for developing their knowledge.

6. Evidence

6a) Records of training

The Shared Services Pensions team will maintain a record of training where sessions are organised by officers. Training records will be kept ensuring identified training gaps are addressed.

6b) Annual Report

The Pension Fund annual report will report on the compliance of members and officers with the knowledge and skills policy statement based on the records maintained.

Appendix 1
Royal Borough of Kensington and Chelsea Pension Fund

Knowledge and Skills self-assessment – Committee Members

Name:

Role: Investment Committee member / Pensions Board member
(delete as applicable)

I have the relevant knowledge, understanding and awareness of all the areas detailed below and do not require additional training.	Y / N
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If yes, please provide details of your experience:

Please tick if you would like further training in the areas highlighted below:

Skill	Area	Tick
Understanding of UK pensions legislation and relevant laws like Freedom of Information Act, GDPR, and local authority legislation.	Pensions legislation and guidance	
Awareness of scheme-specific laws and guidance including LGPS Regulations 2013 and LGPS (Management and Investment of Funds) Regulations 2016, as well as updates to scheme rules and guidance from authorities like MHCLG, The Pensions Regulator, Scheme Advisory Board, GAD, and CIPFA.	Pensions legislation and guidance	
Awareness of LGPS regulations, material developments, and governance requirements for pension schemes.	Pensions governance	
Awareness of statutory and other guidance related to pension scheme governance, including MHCLG statutory governance guidance, The Pensions Regulator code of practice, CIPFA, Scheme Advisory Board guidance, and the Myners principles.	Pensions governance	
Understanding of the roles and powers of MHCLG, The Pensions Regulator, the Pensions Advisory Service, the Pensions Ombudsman, and the Scheme Advisory Board, and their interactions within the scheme's operations.	Pensions governance	
Awareness of LGPS regulations, key developments, and requirements concerning funding strategy and employer contributions, along with associated guidance.	Funding strategy and actuarial methods	

Understanding of the general role of the fund actuary in the valuation process and fund management.	Funding strategy and actuarial methods	
General comprehension of the Accounts and Audit Regulations and legislative requirements pertaining to the committee's and individual members' roles in reviewing and approving the fund's accounts and annual report.	Pensions financial strategy, management, accounting, report and audit standards	
Understanding the roles of both internal and external audit in the governance and assurance processes.	Pensions financial strategy, management, accounting, report and audit standards	
Awareness of LGPS regulations regarding investment strategy, asset allocation, pooling, and responsible investments, along with associated guidance.	Investment strategy, asset allocation, pooling, performance and risk management	
Understanding key risks faced by the fund and how investment strategy should align with these risks, including balancing risk and return across asset classes.	Investment strategy, asset allocation, pooling, performance and risk management	
Awareness of performance monitoring regimes, compliance with Myners principles, and setting/reporting against committee targets.	Investment strategy, asset allocation, pooling, performance and risk management	
Understanding responsible investment principles, including compliance with relevant code. Awareness of risk management strategies, including mitigating climate risk.	Investment strategy, asset allocation, pooling, performance and risk management	
Awareness of the primary importance of the investment strategy decision and a general understanding of the workings of financial markets, including available investment vehicles and associated risks. Additionally, understanding the legislative restrictions on investment activities for LGPS funds.	Financial markets and products	
Knowledge of risk factors considered in the selection of external suppliers and providers as well as understanding the methods for monitoring and managing their performance.	Pension services procurement, contract management and relationship management.	
Other: please state		

Signed:..... Date:.....

Once complete, please return to:

Pensionfund@rbkc.gov.uk

Or

Treasury and Pensions Team
c/o 16th floor East, Westminster City Hall
64 Victoria Street
London, SW1E 6QP

Appendix 2 – Training Record

Pension Fund Committee & Pension Board Training Session	ESG, Divestment vs. Engagement and a Just Transition by <i>Local Authority Pension Fund Forum</i>	07/09/2023
Pension Fund Committee & Pension Board Training Session	Update on the pooling consultation by <i>Westminster's Tri-Borough Director Phil Triggs and London CIV CEO Dean Bowden</i>	07/09/2023
Pension Fund Committee & Pension Board Training Session	Economic Update by <i>Westminster City Council's Chief Economist Paul Mayo</i>	07/09/2023
Pension Fund Committee & Pension Board Training Session	Demystifying AI by <i>AQR Capital Management</i>	07/09/2023