

Open Report on behalf of Pete Moore - Executive Director of Finance and Public Protection

Report to:	Lincolnshire Pension Board
Date:	15 March 2017
Subject:	Pension Board Training Requirements

Summary:

This paper considers the training requirements identified by the Pension Board members, following completion of the CIPFA self-assessment from the knowledge and skills framework.

Recommendation(s):

That the Board note the report and agree a training plan for 2017/18.

Background

1. Section 248a of the Pensions Act 2004, as amended by the Public Services Pensions Act 2013, sets out the following:

Requirement for knowledge and understanding: pension boards of public service pension schemes

(1) This section applies to every individual who is a member of the pension board of a public service pension scheme.

(2) An individual to whom this section applies must be conversant with — .

(a) the rules of the scheme, and

(b) any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.

(3) An individual to whom this section applies must have knowledge and understanding of — .

(a) the law relating to pensions, and

(b) such other matters as may be prescribed.

(4) The degree of knowledge and understanding required by subsection (3) is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.

2. To assist Boards in satisfying this statutory requirement, CIPFA produced a Knowledge and Skills Framework for Pension Board members (attached at appendix A), alongside a self-assessment matrix for each Board member to assess their competencies, and to identify areas where more training should be provided.
3. The responses from the Lincolnshire Pension Board members' self-assessments have been collated and the areas below have been identified as requiring further training, across the eight headings identified in the framework. Areas selected have been either due to a score lower than 3 in the assessment, or a specific request for additional training.

Area	"Do I possess" question	Requirement identified
Pensions legislation	An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.	Specifically: Pooling proposals Asset allocation and structuring Investment limitations
Pensions governance	<p>Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.</p> <p>An awareness of the role and statutory responsibilities of the treasurer and monitoring officer.</p> <p>Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.</p> <p>A detailed knowledge of the duties and responsibilities of pension board members.</p>	<p>Additional training required.</p> <p>Additional training required.</p> <p>Additional training required.</p> <p>Related to obtaining a "detailed" knowledge of responsibilities.</p>
Pensions administration	Knowledge of the pensions administration strategy and delivery (including, where applicable, the use of third party suppliers, their selection, performance management and assurance processes).	Training required to extend knowledge to selection, performance management and assurance processes.

	An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.	Additional training required.
Pensions accounting and auditing standards	An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice. An understanding of the role played by third party assurance providers.	Additional training required. Additional training required.
Pensions services procurement and relationship management	An understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision-makers and organisations. A general understanding of the main public procurement requirements of UK and EU legislation.	Additional training required. Unsure what and who are the key decision makers and the relevant organisations. How does this impact the Pension Fund?
Investment performance and risk management	An awareness of the Myners principles of performance management and the approach adopted by the administering authority. Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.	Additional training required. Unsure of the Lincolnshire approach. Not aware of who the supplies them or the monitoring regime.
Financial markets and products knowledge	An understanding of the role of these asset classes in long-term pension fund investing.	Additional training required.

	<p>A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.</p> <p>An understanding of the limits placed by regulation on the investment activities of local government pension funds.</p> <p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments.</p>	<p>Additional training required.</p> <p>Aware that there are limits but no real detail.</p> <p>Additional training required.</p>
Actuarial methods, standards and practices	<p>An awareness of the importance of monitoring early and ill health retirement strain costs.</p> <p>A general understanding of the relevant considerations in relation to outsourcings and bulk transfers.</p> <p>A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.</p>	<p>Additional training required.</p> <p>Additional training required.</p> <p>Additional training required.</p>

- The Pension Board are asked to consider the training needs identified above, to prioritise them and to agree a training plan for the year 2017/18.

Conclusion

- All members of the Pension Board have completed a self-assessment matrix from the CIPFA Knowledge and Skills Framework, to identify any areas where additional training is required. Following discussion at the board meeting, a training plan will be agreed for the 2017/18 financial year.

Consultation

a) Have Risks and Impact Analysis been carried out??

Yes

b) Risks and Impact Analysis

The Pension Fund has a risk register which can be obtained by contacting the author of this report.

Appendices

These are listed below and attached at the back of the report	
Appendix A	CIPFA Knowledge and skill Framework

Background Papers

This report was written by Jo Ray, who can be contacted on 01522 553656 or jo.ray@lincolnshire.gov.uk.

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