



<u>Committee and date</u> Pensions Committee	<u>Item</u>
18 March 2016	14
10.00am	<u>Public</u>

TRAINING REQUIREMENTS

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1. Summary

The report provides Pension Committee members with an update on the Training arrangements in place within the Fund and introduces a new Training Policy for approval. This report also covers the training received by Pension Board Members since its introduction on 1 April 2015.

2. Recommendations

- The Committee is asked to approve, with or without comment, the Training Policy, **Appendix A**.
- The Committee are asked to consider completing the Pensions Regulators eLearning programme.
- The Committee are asked to note the training undertaken so far by the Pension Board, **Appendix D**.
- The Committee are asked to consider the Pension Regulators Survey. A summary of results can be found in, **Appendix E** and a full report in, **Appendix F**.

REPORT

3. Risk Assessment and Opportunities Appraisal

3.1 Risk Management

By ensuring the guidance and legislation mentioned in this report is followed and adhered to risks to the Fund are minimised.

3.2 Human Rights Act Appraisal

The recommendations contained in this report are compatible with the Human Rights Act 1998.

3.3 Environmental Appraisal

There is no direct environmental, equalities or climate change consequence of this report.

3.4 Financial Implications

The Pensions Regulator Code should be adhered to which may incur costs. Any financial implications regarding the cost of training will be managed to a minimum and will be met by the Fund.

4. Training Policy

- 4.1 Pension Committee Members are asked to approve with or without comment the Training Policy, **Appendix A**. The policy has been established with the aim of ensuring that the Shropshire County Pension Fund is managed by individuals who have the appropriate levels of knowledge and skills. Included within the Policy is the knowledge and skills requirements for the Pensions Board Members and how these requirements are to be met. The Pension Boards' responsibilities are a statutory requirement set out in the Public Service Pensions Act 2013;

PSPA13 Regulation 5. Pension board

(1) Scheme regulations for a scheme under section 1 must provide for the establishment of a board with responsibility for assisting the scheme manager (or each scheme manager) in relation to the following matters.

(2) Those matters are—

(a) securing compliance with the scheme regulations and other legislation relating to the governance and administration of the scheme and any statutory pension scheme that is connected with it;

(b) securing compliance with requirements imposed in relation to the scheme and any connected scheme by the Pensions Regulator;

(c) such other matters as the scheme regulations may specify.

- 4.2 The Public Service Pensions Act 2013 can be read in full here: <http://www.legislation.gov.uk/ukpga/2013/25/introduction>
- 4.3 To help meet this statutory requirement the Pensions Regulator's Code of Practice 14: Governance and administration of public service pension schemes states in paragraphs 34-35 that: *A member of the Pensions Board of a public sector pension scheme must be conversant with the rules of the scheme, any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme and must also have a knowledge and understanding of the law relating to pensions, and any other matters which are prescribed in regulations.*
- 4.4 The Training Policy sets out the tools to be used by the Fund to meet its training responsibilities. Reference within the Training Policy is made to the Chartered Institute of Public Finance and Accountancy (CIPFA) knowledge and skills framework. For reference the full CIPFA document can be found in, **Appendix B**.
- 4.5 CIPFA identifies eight core areas of technical knowledge and skills for those working in public sector pension's finance. They are:
- Pensions Legislation
 - Public Sector Pensions Governance
 - Pensions Administration

- Pensions Accounting and Auditing Standards
- Financial services procurement and relationship management
- Investment performance and risk management
- Financial Markets and Product Knowledge
- Actuarial methods, Standards and Practices

4.6 The Funds Training Policy has a knowledge matrix based on the eight core areas shown above. The matrix identifies the level of knowledge required for Officers, Pension Committee Members and Pension Board Members and will assist the Fund when organising the training required. To achieve the objectives set out in the Training Policy, a training needs assessment, measured against the framework standards will be undertaken for members of the Pensions Board. A similar assessment may also need to be undertaken for Pensions Committee Members and Officers. The assessment will enable the Fund to understand the training required and create a learning programme based on the priority areas. Each Pension Board Member will complete the competency self-assessment matrix found in, **Appendix C.**

5. The Pensions Regulator (TPR) eLearning programme

5.1 The regulator has provided an e-learning programme to help meet the learning needs of individuals involved in Public Sector Pensions. Pension Board members were required to undertake the eLearning programme and all staff in the Pension and Treasury Team have completed the programme. The programme is in line with the TPR's Code of Practice and it;

- Covers the type and degree of knowledge and understanding required;
- reflects the legal requirements, and
- is delivered within an appropriate timescale.

5.2 The e-learning programme is accessed via the Regulator's website: <https://trusteetoolkit.thepensionsregulator.gov.uk/>

The 'Public Sector Toolkit' provides a set of seven modules covering the key themes in the Code of Practice on governance and administration of public service schemes. Each module has an interactive tutorial and test which when completed assesses the understanding of each module. The practical examples and check lists for each Fund are particularly useful. Tutorials and assessments can be left mid – way through and then returned to later. The modules are:

- Conflicts of interest
- Managing risk and internal controls
- Maintaining accurate member data
- Maintaining member contributions
- Providing information to members and others
- Resolving internal disputes
- Reporting breaches of the law

The Committee are asked to consider completing the Pensions Regulators eLearning programme. The Regulator suggests each module's tutorial should take no more than 30 minutes to complete.

- 5.3** On completion of each module a PDF certificate is provided and this should be downloaded and forwarded to the Pensions Communications Officer rebecca.purfit@shropshire.gov.uk to record on file.

6. Pensions Board Training Summary

- 6.1** All four members of the Pension Board have attended training or meetings run by the Fund since the Board was set up on the 1 April 2015. The training undertaken so far for each individual member can be found in the Training Summary, **Appendix D**. The purpose of the Training Summary is to record the training attended by each Pension Board Member. A similar training matrix has been developed for officers and will be kept for Committee members.

7. The Pensions Regulators Survey

- 7.1** Between July and September 2015, the Pensions Regulator conducted a survey of all public service schemes to baseline the standard to which they are being run. In December 2015, the results from the survey were published and the summary of the findings can be found in, **Appendix E** and the full report in, **Appendix F**. From the summary of results it is implied that in the next year the TPRs focus will be addressing three areas it judges to be of greatest risk. These are; internal controls, scheme record keeping and the provision of accurate communication.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Cabinet Member (Portfolio Holder) NA
Local Member NA
Appendices Appendix A – Training Policy Appendix B – CIPFA Knowledge and Skills document Appendix C - Competency Self-Assessment Matrix Appendix D – Training Summary Appendix E – Summary of survey results Appendix F – Survey full report