



Committee and date

Pensions Board

25 July 2016

10.00am

Item

Public

TRAINING UPDATE AND PLANS FOR 2016/17

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1. **Summary**

The report provides Pension Board members with the results of the CIPFA self-assessment matrix and an update on the training requirements in line with the Training Policy.

2. **Recommendations**

Pension Board Members are asked to note the recommendations within this report.

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 for the Pensions Board, Committee and Staff Members will be managed to a minimum and will be met by Shropshire County Pension Fund.

4. **Background – CIPFA Self-Assessment Matrix**

- 4.1 At the last Pension Board meeting it was advised that each Pension Board Member should complete the Chartered Institute of Public Finance & Accounting (CIPFA) Self-assessment Matrix to understand future training requirements of the Pensions Board. Each Pension Board Member returned a completed matrix by the requested deadline.

4.2 The matrix is split into eight core areas of technical knowledge and skills CIPFA identifies as the key elements of expertise. 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

5. Results

5.1 The results of the matrix completed by each Board member has been looked at alongside the Training Policy which was approved by the Pensions Committee in March 2016. The policy can be found on the Funds website here:

<https://shropshirecountypensionfund.co.uk/wp-content/uploads/2015/05/Training-Policy-March-2016.pdf>

5.2 The Training Policy has the ultimate aim of ensuring that the Shropshire County Pension Fund is managed by individuals who have the appropriate level of knowledge and skills. Paragraphs 34-36 of the Pensions Regulator's Code of Practice state that: *A member of the Pensions Board of a public sector pension scheme must be conversant with the rules of the scheme and any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme. They must also have a knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.*

5.3 The Training Policy states that Pensions Board members must be conversant in the following areas:

- Pensions Legislation
- Pensions Governance
- Pensions Administration
- Pensions Accounting and Auditing standards.

5.4 The CIPFA matrix asked Pension Board Members to rate themselves between 1 (no knowledge) and 5 (highly skilled) in each of the eight core areas of expertise. Based on the current Training Policy a score of 4 or more would meet the expectation of 'conversant with' (i.e. working knowledge). The results of completing the matrix have been shared with the Board.

5.5 RAG rating the results has highlighted the topics of Pensions Administration and Pensions Legislation as a priority.

5.6 When the scores were averaged across each Board Member the knowledge in the four core areas according to the Training Policy requiring a basic knowledge had been attained. These areas are:

- Financial services procurement and relationship management
- Investment performance and risk management
- Financial markets and product knowledge
- Actuarial methods, standards and practices

However, some individual topics within these core technical areas were below the required basic knowledge and therefore these technical areas for the individuals involved should be addressed in future training plans. Overall the highest rated section of knowledge was in the area of actuarial methods, standards and practices.

5.7 A training tracking mechanism is in place for all training requested by each Board Member and will be reported to the Board each year.

6. Recommendations

6.1 Pensions Legislation and Pensions Administration will be covered at the next Members Training Day on 28 July 2016.

Board members are also encouraged to familiarise themselves with the Pensions Administration Strategy and other Fund policies such as the Governance Compliance Statement.

Board Members are also encouraged to attend, when possible, the following meetings which cover the latest Fund updates:

- Thursday 28 July 2016 Members training day
- Thursday 10 November 2016 Employers Meeting
- Friday 2 December 2016 Fund Annual Meeting

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

NA