



<u>Committee and date</u> Pensions Board
27 July 2015
10.00am

<u>Item</u>
<u>Public</u>

PENSIONS BOARD TRAINING REQUIREMENTS

Responsible Officer Rebecca Purfit

Email: rebecca.purfit@shropshire.gov.uk

Tel: 01743 254457

- 1. Summary**
The report provides Pension Board members with information on the appropriate knowledge and understanding required to ensure the regulatory requirements are met in relation to training.

- 2. Recommendations**
 - 2.1** Members are asked to accept the position as set out in the report and;

 - 2.2** To read and understand the Pension Regulators Code of Practice no. 14 – Governance and Administration of public service pension schemes **Appendix A**. And;

 - 2.3** Agree a training policy is established and put into place and;

 - 2.4** Designate the Pensions Communications Officer to take responsibility for ensuring the training requirements of the Board are met and recorded.

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 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**

Any financial implications regarding the cost of training mentioned in this report will be managed to a minimum and will be chargeable to the Shropshire County Pension Fund not directly by Shropshire Council.

4. Regulatory Requirements

4.1 The Pension Board was established by Shropshire Council under the powers of Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013 (LGPS Regulations). The Pensions Board was created in April 2015. The Board members are:

- Pat Hockley – Member Representative
- Mike Morris – Member Representative
- Stuart Wheeler – Employer Representative
- Liz Furey – Employer Representative

4.2 Item 10 in the Pensions Board 'Terms of Reference' is entitled 'Knowledge and Skills' and outlines the level of knowledge expected of each member of the Pensions Board. An extract of item 10 is below:

Under the requirements of the Public Service Pensions Act, a member of the Pension Board must be conversant with –

- *The legislation and associated guidance of the Local Government Pension Scheme (LGPS).*
- *Any document recording policy about the administration of the LGPS which is for the time being adopted by the Shropshire County Pension Fund.*

In addition, a member of the Pension Board must have knowledge and understanding of –

- *The law relating to pensions, and*
- *Any other matters which are prescribed in regulations.*

It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

In line with this requirement, Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Pension Board members are therefore required to:

- *participate in training events (a written record of relevant training and development will be maintained)*
- *undertake a personal training needs analysis or other method to identify gaps in skills, competencies and knowledge.*

- *comply with the Pension Fund's Training Policy insofar as it relates to Pension Board members.*

- 4.3** To meet the requirements of the Public Service Pensions Act 2013 (PSPA 2013) the Pensions Regulator has issued Code of Practice no. 14 (the Code) as a reference for the Fund and the Pensions Board. In the section '*Knowledge and understanding required by pension board members*' full guidance on the areas of knowledge and understanding is outlined. Board members must familiarise themselves with the Code which can be found in **Appendix A**.
- 4.4** Board members also need to have read and understood the Pensions Regulator compliance and enforcement policy for public service pension schemes. **Appendix B**.
- 4.5** To meet the legal requirements of the PSPA 2013 each Pension Board member must be conversant with the rules of the Scheme and any policies about the administration which have been adopted. All policies made by the Fund are available on the website https://shropshirecountypensionfund.co.uk/?page_id=123 .

5. Demonstrating knowledge and understanding

- 5.1** As legal responsibilities began from the date of appointment to the Board in April 2015, steps have already been taken to ensure the members of the Pensions Board have received initial training to get up to speed on the Scheme rules. All four members of the Board attended training on 28 May 2015 in Liverpool, run by the Local Government Association (LGA). The programme covered presentations from Eversheds, AON Hewitt, Mercers, Investec and the LGA. Further training has also been booked for each Board Member with AON Hewitt throughout July 2015. This training is being run over 3 days and each Board member can attend either 1, 2 or 3 days.
- 5.2** Funds should establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members. It is recommended that the Pensions Communications Officer is designated as the person to take responsibility for ensuring that a framework is developed and implemented including establishing and putting into place a training policy.
- 5.3** However, it is the responsibility of individual pension board members to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the pension board.
- 5.2** The designated person will keep appropriate records of the learning activities of individual pension board members and the board as a

whole. This will help pension board members to demonstrate steps they have taken to comply with legal requirements and how they have mitigated risks associated with knowledge gaps. Training undertaken by the Board will be reported on an annual basis.

6. Acquiring knowledge and understanding

6.1 The regulator has provided an e-learning programme to help meet the needs of pension board members, whether or not they have access to other learning. Board members are required to undertake this programme as the next part of their training by the next Board meeting. The programme ensures that in line with the Code:

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

6.2 The e-learning programme is accessed via the Regulator's "Trustee Toolkit" found on their website:

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

This 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 Regulator suggests each module's tutorial should take no more than 30 minutes to complete.

6.3 On completion of each module a PDF certificate is provided and this should be downloaded and forwarded to the Pensions Communications Officer to record on file. An example of the certificate is at **appendix C**.

7. Upcoming pension events

- 7.1** Board members are invited to a Members Training Day on the 29 July in the Shirehall, Shrewsbury. The training day is held annually for Committee members and Board members are invited to add to the external training which has been offered to date. Board members have also been informed of the date of the Fund Annual Meeting being held on the 12 November 2015 at the Shirehall, Shrewsbury. Future events run by the Fund will be communicated to the Board to add to the external training on offer.

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 – The Pensions Regulator Code of Practice No 14

Appendix B – The Pensions Regulator compliance and enforcement policy for public service pension schemes

Appendix C – The Pension Regulator Module Certificate