

CAMBRIDGESHIRE PENSION FUND



Local Pension Board

Date: 21 October 2015

Report by: Deputy Head of Pensions

Subject:	Knowledge Management Policy for Cambridgeshire Pension Fund Board Members.
Purpose of the Report	To present the Knowledge Management Policy for Cambridgeshire Pension Fund Board members to the Board.
Recommendations	The Board are asked to approve the attached Knowledge Management Policy for Cambridgeshire Pension Fund Board Members located in the appendix to this report.
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1. Background

- 1.1 The Knowledge Management Policy is established to assist the Pension Fund Board in performing and developing their individual role in accordance with the Terms of Reference with the ultimate aim of ensuring that Cambridgeshire Pension Fund is managed and assisted by individuals who have the appropriate level of knowledge and skills as required by the Pensions Act 2004 also enforced by the Pensions Regulator.
- 1.2 The Knowledge Management Policy for Cambridgeshire Pension Fund Board Members is attached in Appendix 1.

2. CIPFA Local Pension Board – Technical Knowledge and Skills Framework

- 2.1 The CIPFA framework covers eight areas of knowledge identified as the core requirements for effective management of a public sector pension fund. These are:
 - pensions legislation;
 - pensions governance;
 - pensions administration;
 - pension accounting and auditing standards;
 - financial services procurement and relationship development;
 - investment performance and risk management;
 - financial markets and products knowledge; and
 - actuarial methods, standards and practice.

- 2.2 The framework is designed to improve knowledge and skills in all relevant areas of activity of a Pension Fund Board and assist Board members in achieving a degree of knowledge appropriate for the purpose on enabling individuals to properly exercise the functions of a member of a pension board.

3. The Pension Regulator's Code of Practice

- 3.1 The Pension Regulator's Code of Practice requires all members of the Pension Fund Board to maintain the necessary skills and knowledge to undertake their role effectively. Pension Fund members need to; be conversant with the rules of the scheme and any document recording policy about the administration of the scheme; and to have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

4. Knowledge Management Policy for Pension Fund Board Members

- 4.1 The Knowledge Management Policy incorporates both the best practice as identified by the CIPFA Technical Knowledge and Skills Framework and the requirements of the Pensions Regulator.
- 4.2 The Knowledge Management Policy also recognises the requirement that skills and knowledge in the remit of a local pension board must be on an individual not collective basis. As such self assessments will identify individual training needs following which appropriate training will be arranged.
- 4.3 The Policy sets out the methods by which the members of the Pension Fund Board will achieve and maintain the required knowledge and understanding and how this will be measured on an ongoing basis.
- 4.4 It is a statutory requirement to include details of a the training undertaken by members of the Pension Fund Board in the Fund's Annual Report . In addition, this information may be required by other agencies such as the Pensions Regulator from time to time. The LGSS Pensions Service will therefore keep detailed records to provide this information.

5. Relevant Pension Fund Objectives

Perspective	Outcome
Funding and Investment	<ul style="list-style-type: none">• To ensure that the Fund is able to meet its liabilities for pensions and other benefits with the minimum, stable level of employer contributions.• To ensure that sufficient resources are available to meet all liabilities as they fall due.• To maximise the returns from its investments within reasonable risk parameters.

Perspective	Outcome
Communications	<ul style="list-style-type: none"> • Promote the Scheme as a valuable benefit. • Deliver a clear and consistent message; that is simple, relevant and impactful, uses plain English throughout and engages all levels of stakeholders' understanding. • Provide clear information about the Scheme, including changes to the Scheme, and educate and engage with members so that they can make informed decisions about their benefits. • Seek and review regular feedback from all stakeholders about communication and shape future communications appropriately. • Look for efficiencies in delivering communications including through greater use of technology and partnership working.
Administration	<ul style="list-style-type: none"> • Provide a high quality, friendly and informative administration service to the Funds' stakeholders. • Administer the Funds in a cost effective and efficient manner utilising technology. • Ensure the Funds and its stakeholders are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administration functions of the Funds. • Put in place standards for the Fund and its employers and ensure these standards are monitored and developed as necessary. • Ensure benefits are paid to, and income collected from, the right people at the right time in the right amount. • Maintain accurate records and ensure data is protected and has authorised use only. • Understand the issues affecting scheme employers and the LGPS in the local and national context and adapt strategy and practice in response to this.
Governance	<ul style="list-style-type: none"> • To have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies. • Ensure the Fund and its stakeholders have the appropriate skills and receive training to ensure those skills are maintained in a changing environment.

6. Finance & Resources Implications

- 6.1 Consideration will be given to various training resources available in delivering required training to Members of the Pension Fund Board and in the most efficient manner

7. Risk Implications

a) Risk(s) associated with the proposal

Risk	Mitigation	Residual Risk
Insufficient resources being available to deliver or arrange the required training	Officers of the Fund will monitor these risks and will act accordingly in the best interest of the Fund in conjunction with the Chairman of the Cambridgeshire Pension Board or Full Council where appropriate.	Amber
The quality of advice or training provided is not to an acceptable standard		Amber
Changes in Pension Board membership potentially diminishing knowledge and understanding		Amber
Poor attendance at training and/or formal meetings resulting in poor standard of knowledge accrual and maintenance of knowledge		Amber

b) Risk(s) associated with not undertaking the proposal

Risk	Risk Rating
If the policy is not approved or enacted non compliance with the Pension Regulator's Code of Practice and Section 248A of The Pensions Act 2004 (not acquiring and maintaining the necessary skills and knowledge to perform the duties required of members of a Pension Fund Board) may result.	Red

8. Communication Implications

Website	The Knowledge Management Policy will be published on the LGSS Pensions Service website.
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9. Legal Implications

9.1 Not applicable

10 Consultation with Key Advisers

10.1 Consultation with the Funds advisers was not required for this report.

11. Alternative Options Considered

11.1 Not applicable

12. Background Papers

12.1 Not applicable

13. Appendices

13.1 Appendix 1 – Knowledge Management Policy for Cambridgeshire Pension Fund Board Members.

13.2 Appendix 2 - CIPFA Local Pension Board – Technical Knowledge and Skills Framework

13.3 Appendix 3 – CIPFA Code of Practice on Public Sector Pensions – Finance Knowledge and Skills Framework

Checklist of Key Approvals	
Is this decision included in the Business Plan?	Not applicable
Will further decisions be required? If so, please outline the timetable here	Not applicable
Is this report proposing an amendment to the budget and/or policy framework?	No
Has this report been cleared by Chief Finance Officer/Section 151 Officer?	Not applicable
Has this report been cleared by Deputy Head of Pensions?	Mark Whitby – 18/09/2015
Has this report been cleared by Legal Services?	Not applicable