

## CAMBRIDGESHIRE PENSION FUND



### Pensions Committee

**Date:** 8 December 2016

**Report by:** Head of Pensions

<b>Subject:</b>	<b>Cambridgeshire Pension Fund Training Strategy 2016</b>
<b>Purpose of the Report</b>	<b>To present the Cambridgeshire Pension Fund Training Strategy to members of the Committee.</b>
<b>Recommendations</b>	<b>The Committee are asked to approve the attached Cambridgeshire Pension Fund Training Strategy located in the appendix to this report.</b>
<b>Enquiries to:</b>	Name – Joanne Walton – LGSS Pensions Governance and Regulations Manager Tel – 01604 367030 E-mail – <a href="mailto:jwalton@northamptonshire.gov.uk">jwalton@northamptonshire.gov.uk</a>

## 1. Background

- 1.1 The Training Policy is required to assist the Pensions Committee in performing and developing their individual role 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 current Knowledge Management Policy was previously agreed at the October 2013 Pensions Committee meeting. This can be found in **appendix 1**.
- 1.3 It is now deemed an appropriate time to review the existing Policy to ensure it is fit for purpose and is compliant with the Pensions Regulator's expectations under the Code of Practice 14: Governance and administration of public service pension schemes and also the CIPFA guidance on the knowledge and skills required of Committee members.
- 1.4 A proposed new strategy incorporating the Pensions Regulator and CIPFA requirements has been drafted by Officers and can be found in **appendix 2**.
- 1.5 Section 5 of this report identifies the changes between the 2013 version of the Knowledge Management Policy and the proposed revised Cambridgeshire Pension Fund Training Strategy 2016.

## **2. CIPFA Pensions Finance Knowledge and Skills Framework**

- 2.1 The CIPFA framework covers six areas of knowledge identified as the core requirements for effective management of a public sector pension fund. These are:
- pensions legislative and governance context;
  - 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 Pensions Committee and assist in achieving a degree of knowledge appropriate for the purpose on enabling individuals to properly exercise the functions of a member of a pensions committee.

## **3. The Pension Regulator's Code of Practice**

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

## **4. Cambridgeshire Pension Fund Training Strategy for Pension Committee Members**

- 4.1 The Cambridgeshire Pension Fund Training Strategy 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 Strategy also recognises the requirement that skills and knowledge in the remit of a Pensions Committee 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 Strategy sets out the methods by which the members of the Pensions Committee 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 the training undertaken by members of the Pensions Committee 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. Revisions made to the Knowledge Management Policy 2013**

- 5.1 The revised strategy is relevant for members of the Pensions Committee, members of the Local Pension Board and Officers of the Fund. The joint strategy will ensure a streamlined and consistent approach to the development of those charged with the governance of the Fund.
- 5.2 The accumulation of credits has been defined and provides guidelines on how many credits will be accredited for each particular method of training. There is also a distinction between the requirements for members of the Committee and the Local Pension Board and the respective Chairmen.
- 5.3 A scorecard will also be introduced as a tool for recording and monitoring each individuals training target and progress against the target to ensure compliance.

## **6. Relevant Pension Fund Objectives**

- Have robust governance arrangements in place, to facilitate informed decision making, supported by appropriate advice, policies and strategies, whilst ensuring compliance with appropriate legislation and statutory guidance. *Objective 1*
- Manage the Fund in a fair and equitable manner, having regard to what is in the best interest of the Fund's stakeholders, particularly the scheme members and employers. *Objective 2*
- Ensure the relevant stakeholders responsible for managing, governing and administering the Fund, understand their roles and responsibilities and have the appropriate skills and knowledge to ensure those attributes are maintained in a changing environment. *Objective 3*
- Continually monitor and measure clearly articulated objectives through business planning. *Objective 4*
- Continually monitor and manage risk, ensuring the relevant stakeholders are able to mitigate risk where appropriate. *Objective 5*

## **7. Finance & Resources Implications**

- 7.1 Consideration will be given to various training resources available in delivering required training to Members of the Pension Committee and in the most efficient manner.

## **8. Risk Implications**

- a) Risk(s) associated with the proposal

<b>Risk</b>	<b>Mitigation</b>	<b>Residual Risk</b>
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 Committee/ Chairman of the Local Pension Board or Full Council where appropriate.	Amber
The quality of advice or training provided is not to an acceptable standard		Amber
Changes in 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

<b>Risk</b>	<b>Risk Rating</b>
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 may result.	Red

## **9. Communication Implications**

<b>Website</b>	The Knowledge Management Policy will be published on the LGSS Pensions Service website.
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## **10. Legal Implications**

10.1 Not applicable

## **11 Consultation with Key Advisers**

11.1 Hymans Robertson, the Fund's Benefits and Governance Adviser from were consulted in the drafting of this policy.

## **12. Alternative Options Considered**

12.1 Not applicable

## **13. Background Papers**

13.1 Not applicable

## **14. Appendices**

14.1 Appendix 1 – Knowledge Management Policy 2013

## 14.2 Appendix 2 – Cambridgeshire Pension Fund Training Strategy 2016

<b>Checklist of Key Approvals</b>	
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?	Sarah Heywood - 22/11/2016
Has this report been cleared by Deputy Head of Pensions?	Mark Whitby – 16/11/2016
Has the Chairman of the Pension Fund Committee been consulted?	Councillor Hickford – 22/11/2016
Has this report been cleared by Legal Services?	Laurie Gould – 28/11/2016