

## **REPORT FOR: Pension Board**

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**Date of Meeting:** 12 September 2017

**Subject:** Knowledge and Understanding of Local Government Pension Scheme

**Responsible Officer:** Dawn Calvert, Director of Finance

**Exempt:** No

**Wards affected:** All

**Enclosures:** Local Pension Board – A technical Knowledge and Skills Framework: CIPFA/Barnett Waddingham

### **Section 1 - Summary**

#### **Summary**

The Board are asked to note the requirements in respect of knowledge and understanding of the Local Government Pension Scheme as set out by CIPFA and The Pensions Regulator and consider how they wish to comply with these requirements.

#### **For information**

## **Section 2 – Report**

1. At their first meeting on 25 June 2015 the Board were advised of the publication *Guidance on the creation and operation of Local Pension Boards in England and Wales*, Section 6 by the, then, Shadow Advisory Board. This Section referred to the Pension Act 2004 and specifically to the requirement that:  
*An individual to whom this section applies [Member of a Pension Board] must be conversant with—*  
*(a) the rules of the scheme, and*  
*(b) any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.*  
*An individual to whom this section applies must have knowledge and understanding of—*  
*(a) the law relating to pensions, and*  
*(b) such other matters as may be prescribed.*  
*The degree of knowledge and understanding required ..... is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.*
2. The Board agreed that, initially, they would seek to comply with these requirements by receiving relevant documentation and attending a customised introductory course on various aspects of the Local Government Pension Scheme to be provided by Aon Hewitt.
3. The course was presented on 27 August 2015 and all members of the Board were able to attend. Matters covered were:

### **Governance and Key Legislation**

- The Legislative Framework
- Structure and Governance of the LGPS
- Key Governance Requirements
- LGPS Contributions and Benefits
- Current Hot Topics

### **Actuarial and Funding Matters**

- Introduction to Actuaries and Actuarial Work
- Triennial Actuarial Valuation
- Funding Strategy and Intervaluation Monitoring
- Employers in the Fund
- Bulk Transfers
- Pension Accounting and Auditing
- Actuarial Hot Topics

### **Investment**

- Investment Strategy and Financial Markets
- Investment performance and Risk Management
- Financial Services Procurement

4. Since this presentation additional ad hoc training has been offered including:

### **Board Meetings**

- Triennial valuation – presentations by the Actuary at each meeting in 2016

### **Invitation to Pre-meeting Training of Pension Fund Committee**

- Triennial valuation
- Environmental, Social and Governance issues
- Infrastructure

### **Seminars**

- Local Pension Boards – One Year On

5. Whilst the training offered to date has probably complied with the basic requirements it is important for Board members to keep up to date and to compare their current levels of knowledge and skills against best practice as recommended by CIPFA and The Pensions Regulator.
6. Guidance is available via the CIPFA publication *local pension boards – A Technical Knowledge and Skills Framework* attached to this report. The *Framework* includes as its Annex A *Knowledge and Skills Responsibilities under the Pensions Regulator Code of Practice No 14*.
7. Board members are invited to contact the Treasury and Pensions Manager if they feel that they could benefit from further training.
8. Courses for Board members are available commercially with some of the most appropriate likely to be provided by CIPFA/Barnett Waddingham, Aon Hewitt, Hymans Robertson, Mercer and PLSA.
9. It is recommended that a refresher training day is held for all Pension Board Members

### **Financial Implications**

10. The cost of any training will be met from the Pension Fund.

### **Risk Management Implications**

11. The purpose of this report is to remind the Board of their knowledge and skills responsibilities to enable them to carry out their duties effectively.

### **Equalities implications**

12. There are no direct equalities implications arising from this report.

## **Council Priorities**

13. The financial health of the Pension Fund directly affects the level of employer contribution which in turn affects the resources available for the Council's priorities

## **Section 3 - Statutory Officer Clearance**

Name: Dawn Calvert  Director of Finance

Date: 30 August 2017

## **Section 4 - Contact Details**

**Contact:** Iain Millar, Treasury and Pensions Manager 0208  
424 1432

**Background Papers - None**