

Lancashire Local Pension Board
Meeting to be held on 19 October 2015

Electoral Division affected: None

Training and Development - Local Pension Boards

Contact for further information:
Frances Deakin, (01772) 533112, Financial Policy Officer
frances.deakin@lancashire.gov.uk

Executive Summary

The Chartered Institute of Public Finance and Accountancy (CIPFA) has published a Technical Knowledge and Skills Framework for Local Pension Boards.

The framework complements an existing framework for officers and elected members/non-executives involved in the administration of public service pension schemes. The new framework aims to further promote good governance in public service pension schemes' by extending the scope of existing guidance to cover the specific training and development needs of Pension Board members.

Recommendation

The Board is recommended to:

- (i) Note the publication by CIPFA of a Technical Knowledge and Skills framework for Local Pension Boards;
- (ii) Note that requirements under the framework will be reflected within a refreshed Training Policy currently under development for the Fund which will be shared with the Pension Board for comments in due course.

Background and Advice

There is a legislative requirement on Members of Local Pension Boards to develop a level of knowledge and understanding of pension matters sufficient to enable them to provide effective, constructive and informed support to their Administering Authority. The responsibility is a personal one falling from section 5 of the Public Service Pensions Act 2013.

The establishment of Local Pension Boards has effected a change in the governance arrangements of Local Government Pension Schemes. Recognising this change, CIPFA has published a Technical Knowledge and Skills Framework

explicitly directed at Local Pension Boards and the knowledge requirements of their members.

The objective of the framework is to assist board members in achieving the degree of understanding needed to properly exercise the functions and responsibilities of a Local Pension Board, by improving their knowledge and skills in all the relevant areas of activity.

A copy of the CIPFA Technical Knowledge and Skills Framework for Local Pension Boards (July 2015) appears at Appendix 'A'.

The framework is intended to have two primary uses:

- as a tool for scheme managers in meeting the Pensions Regulator's *Code of Practice No 14* which states that scheme managers should '*establish and maintain policies and arrangements for acquiring and retaining knowledge and understanding to support their pension board members*'
- as an assessment tool for individuals to measure their progress and plan their development in order to ensure that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of a Pension Board.

A refresh of Lancashire County Pension Fund's existing Training Policy is currently underway. Ensuring the new policy (which will apply to members of both the Pension Fund Committee and the Pension Board) reflects requirements under the CIPFA frameworks and the Pension Regulators Code of Practice¹⁴ is an important part of bringing the approach up to date and ensuring it meets the learning needs of those falling within scope.

An updated Training Policy for the Fund will be brought to the Pension Board for comments in due course.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

There are no significant risk management implications.

Local Government (Access to Information) Act 1985
List of Background Papers

Paper	Date	Contact/Tel
Report to the Lancashire Local Pension Board – 'Knowledge and Understanding Requirements for Members of Local Pension Boards'	8 July 2015	Frances Deakin (01772) 533112

Reason for inclusion in Part II, if appropriate

N/A